



**Board of Directors Meeting
November 27, 2018
11:00 AM – 2:00 PM**

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**4110 Independence Drive, Suite 100
Schnecksville, PA 18078
AGENDA**

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Executive Session



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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Board of Directors Meeting

**DeSales University
Gerald White Conference Center, Conference Room
2755 Station Avenue
Center Valley, PA 18034**

**Meeting Minutes
July 26, 2018
2:00 p.m.**

Present:

Robert Thomson, Chairman
Jocelyn Cramer
Brandi Snyder
Larry Eighmy
Linda Evers

Also Present:

John Costlow, President
Scott Gebhardt, Pennsylvania Public Utility Commission

Mr. Thomson called the Board of Directors meeting to order

Minutes Approval

May 16, 2018 Quarterly Board Meeting

A motion (Eighmy, Evers)

RESOLVED to approve the May 16, 2018 Quarterly Board Meeting Minutes as presented.

Passed by voice vote (4-0-1). Mr. Eighmy abstained.

May 17, 2018 Board Meeting

A motion (Cramer, Eighmy)

RESOLVED to approve the May 17, 2018 Board Meeting minutes as presented.

Passed by voice vote (5-0-0).

Chairman Report

Mr. Thomson stated that Mr. Francello resigned from the SEF Board of Directors. Mr. Francello will provide help on a pro bono basis moving forward. SEF will be recruiting a new director to replace Mr. Francello.

MINUTES APPROVED

New Business

Succession Plan

Mr. Costlow reviewed the updates to the Succession Plan. The title of Program Leader of Finance was updated to Director, Program Related Investments and the title of Program Leader of Education was updated to Director, Special Projects to reflect a prior organizational change.

A motion (Cramer, Snyder)

RESOLVED to approve the Succession Plan with the proposed changes.

Passed by voice vote (5-0-0).

CES Community Solar Gardens 2, LLC

CES Community Solar Gardens 2, LLC (CES CSG 2 LLC) is requesting a loan of \$4,586,400 to support the bulk purchase of solar panels. CES CSG 2 LLC is a partnership formed in 2018 and held 95% by Community Energy Solar, LLC and 5% by Community Energy Inc. The President of CES CSG 2 LLC is Brent Beerley. Community Energy Solar, LLC is guaranteeing the loan.

Community Energy Solar, LLC entered into a purchase commitment with First Solar for solar panels totaling \$9,450,000. A deposit of \$945,000 was made on the panels and the remaining \$8.5M is secured by a Letter of Credit held by Bank of America. A change order was executed to divide the original purchase order into two amounts, \$3,956,400 and \$5,493,600. The amount of \$3,956,400 was used as security for a \$4.0M loan with New Resources Bank. The amount of \$5,493,600 is clear of any obligation to New Resources Bank and a partial amount will be used as security for the loan with SEF.

The interest rate on the loan is 6.50%. The first 15 months will be interest only payments and will be followed by a balloon payment due at maturity. The loan will allow for up to three extensions of two months each with an additional .25% fee based on the outstanding balance. Mr. Costlow noted the success and benefits of a previous loan with Community Energy Solar. As collateral, SEF has a first priority security interest in all project assets including equipment, all equity interests in the special purpose entity and the ownership of each special purpose entity utilized for solar project development. The loan origination fee is 1%, or \$45,800, which will be payable at closing. The source and use of funds are identical.

Mr. Costlow briefly reviewed the history of Community Energy Solar, LLC, Community Energy's borrowing history with SEF and the previous loan financials for Community Energy. Community Energy is currently working to pay off their last loan of \$4.89M which was disbursed in 2017 and will be paid off by the end of August. The DSCR for Community Energy, Inc. in 2013 was 7.52X, in 2014 was 6.32X. After Community Energy, Inc. became Community Energy Solar, LLC, their interim DSCR was 2.79X and in 2017 was 2.92X. The projected DSCR for 2016 was 1.76X. Community Energy Solar, LLC has \$77,538,631 in assets and \$32,301,966 in liabilities. They have a net worth of \$45,236,665 and a leverage ratio of 0.71X.

Financial covenants of the loan include requirements that CES CSG 2 LLC must execute a Module Supply Agreement and provide financial statements to SEF quarterly; no liens except for permitted liens on equipment or other assets; the loan will not be disbursed until the existing loan is paid in full; and the borrower must pay a prepayment fee to cover lost interest equivalent to three months interest in the event that the loan is prepaid within the initial three months. Strengths include strong revenue and net profit and the solid relationship and positive payment history Community Energy has with SEF over the past sixteen years. The only weakness is the size of the loan.

A motion (Cramer, Snyder)

RESOLVED to approve the loan for Community Energy Solar Community Solar Gardens 2, LLC in the amount of \$4,586,400 as presented.

Passed by a voice vote (5-0-0).

2019 Board Calendar

Mr. Costlow reviewed the 2019 Board Calendar. Mr. Thomson suggested that board members review the dates after the meeting and send any conflicts to Mr. Costlow.

C-Pace

Mr. Costlow reviewed SEF's potential role as the statewide administrator of the C-Pace Program. The financing purpose of C-Pace is to scale lending for commercial energy efficiency and renewable energy retrofits and make longer term financing viable. SEF would assume the role of program administrator and KEEA would assume the role of program sponsor. The other Sustainable Energy Funds have shown support for this proposition. Mr. Costlow discussed the role of the administrator and what taking on that role would entail.

SEF would work with an organization to develop legal and marketing materials for us. Legal, marketing, and other materials would cost SEF approximately \$100k. Discussions regarding the C-Pace program and benefits of becoming an administrator in Pennsylvania ensued. Mr. Costlow stated that C-Pace would become one of SEF's programs which would be run by the Director of Special Projects and an SEF intern hired specifically to assist with the program. No other organization is currently known to be seeking an administrator role for the program in Pennsylvania. A discussion about the \$100k investment ensued. Mr. Costlow stated that the investment would not ensure that SEF would be chosen as an administrator for all PA C-Pace loans. SEF would market themselves as an administrator and counties would need to choose SEF as their administrator for C-Pace loans.

A discussion regarding attorney selection ensued. It was determined a specialty attorney would be required for this program. Discussion about previous C-Pace studies pertaining to statistics ensued. Mr. Costlow stated that he applied to the DOE for membership to the C-Pace Working Group and SEF's membership has been confirmed. Discussion ensued.

A motion (Cramer, Eighmy)

RESOLVED to approve an investment of \$100,000 for SEF to become a C-Pace Administrator in PA as presented.

Passed by voice vote (5-0-0).

Committee Reports

Finance Committee

Mr. Costlow reviewed the Finance Committee report. There was a quarterly Finance Committee meeting on July 16, 2018.

Executive Summary

Mr. Costlow reviewed the Executive Summary.

Key Points Included:

- Income exceeded budget
- Staff is below budget
- Occupancy over budget due to taxes paid to North Whitehall Township for the net zero property
 - SEF appealed as a nonprofit to be exempt from paying taxes on the property in the future
- Operating expenses above budget due to a timing issue
- Net Income for Q2 was \$60k actual vs \$(156k) budgeted

Balance Sheet

Mr. Costlow reviewed the Balance Sheet.

Key Points included:

- Cash assets of \$163,182 at end of Q2
 - Currently have over \$1M in cash assets
- Total Endowment Investments are \$11,908,475
- Total Program Related Investments are \$7,523,954
- Total Assets for Q2 are \$21,782,550

Time Weighted Return

Mr. Costlow reviewed the Time Weighted Return. Equity standard has been inconsistent between reports, jumping between favorable and unfavorable. Both Equity Standard and Fixed Income Standard are currently unfavorable at (1.73)% and (0.28)%, respectively.

Mr. Costlow stated that the Finance Committee resolved to recommend that the Board of Directors approve extending the out of compliance cash balance to \$1.5M until August 30, 2018. This motion refers to the \$1M disbursement SEF will be making to Penn State Solar Farm in August and the \$750k cash limit on SEF's brokerage account.

A motion (Cramer, Eighmy)

RESOLVED to approve the recommendation from the Finance Committee to extend the out of compliance cash balance to \$1.5M until August 30, 2018.

Passed by voice vote (5-0-0).

Investment Income Ratio

Mr. Costlow reviewed the Investment Income Ratio. Program income for the first 6 months exceeded total program income for the prior fiscal year. The forecasted ratio for 2018 is 16.77%. The five-year average forecasted investment income ratio is 23.59%. The Investment Portfolio will need to be reevaluated next fiscal year to increase the number of interest- and dividend-bearing stocks in the Portfolio.

A motion (Evers, Snyder)

RESOLVED to accept the report of the Finance Committee as presented.

Passed by voice vote (5-0-0)

Human Resources Committee

Mr. Costlow reviewed the Human Resources Committee report. There was a quarterly Human Resources Committee Meeting on June 12, 2018.

HR Matrix

Mr. Costlow reviewed the HR Matrix.

Educational Hours

Mr. Costlow reviewed the Educational Hours. As of June 30, 2018, there was a total of 256 educational hours logged. Many of the booths and presentations have been promotion for the Solarize Lehigh Valley program. Mr. Costlow briefly discussed the Solarize Lehigh Valley program. Approximately 140 residents and businesses have signed up to receive assessments and two contracts have been signed thus far.

Regulatory Update

Mr. Costlow reviewed the Regulatory Update. The Time of Use Proceeding M-2016-2578051 has been concluded. PPL has nine months to implement the approved recommendations. A discussion ensued.

A motion (Evers, Cramer)

RESOLVED to accept the report of the Human Resources Committee as presented.

Passed by voice vote (5-0-0).

Program Related Investments Committee

Mr. Costlow reviewed the PRI Committee report. There was a quarterly PRI Committee Meeting on June 19, 2018.

Pipeline Report

Mr. Costlow reviewed the Pipeline Report. He stated that the sales process timeline has been reduced, resulting in loans and NESAs being more quickly approved. There are currently ten approved projects on the pipeline report.

Mutzabaugh's Market Inc.

Mr. Costlow stated that the Mutzabaugh's Market PRI was approved by Staff and committee reviewed.

Pike County Library

Mr. Costlow stated that the Pike County Library PRI was committee approved and done as a public service to the library.

A motion (Eighmy, Cramer)

RESOLVED to accept the report of the PRI Committee as presented.

Passed by voice vote (5-0-0).

Old Business

Mr. Costlow stated that Mr. Eighmy would be participating in the Net Zero discussion as the Owner's Representative and would recuse himself from decisions made regarding the Owner's Representative.

Net Zero Building Report and Discussion

Mr. Costlow gave a brief overview of the reasons behind the decision to build the Net Zero Office Building and the process so far. The building was conceptualized in 2015. Since then, a site has been selected, SEF entered into a design-build contract with Ashley McGraw and TN Ward and a building design has been determined.

Mr. Eighmy provided a status report on the efforts of the design-build team. In June, there was a budget overage of \$2.5M. Ashley McGraw Architects met with TN Ward and determined the overage was mainly due to the structural components of the building. TN Ward conducted price comparisons for materials, vendors, etc. A brief discussion regarding the use of steel ensued. Mr. Eighmy discussed the structural revisions offered by Ashley McGraw in July one of which included both wood and steel and one which replaced the wood in the original schematic entirely with steel. After reviewing the designs with SEF staff, it was determined to move forward with the steel model for monetary and aesthetic reasons. The updated model lowers the overage cost to \$900k on the original budget of \$4.25M. A budget breakdown will be conducted once changes to the schematic are completed. Mr. Eighmy stated that there is a greater chance of making money back on the building than there is of needing to spend more on the building moving forward. Given the satisfactory results of the compromise made to change the structural components, there have been no changes or compromises discussed for the program or contingencies.

Mr. Eighmy and Mr. Costlow revealed and explained the updated schematics to the Board. A discussion ensued. Mr. Costlow reviewed important aspects of the design, such as the classroom and community space, light equity in the space and the building's infrastructure for future battery backup. Mr. Eighmy stated that costs associated with certain aspects of the building will be revisited before the final cost is determined. A brief discussion ensued.

Mr. Costlow reviewed the estimated financials. Construction is currently estimated at \$5.1M with the classroom. Other costs, such as the owner's representative, the approximate \$200k contingency and site costs, are estimated at \$437k. Total cost for the building without land costs is \$5.5M. The additional \$1.25M would be taken out as a loan. The thirty-year revenue is estimated at \$6.2M. The total value of the building is estimated at \$10.2M and the internal rate of return is 3.23%. Mr. Costlow also reviewed the estimated financials for a building without a classroom. He explained that from a financial standpoint, there will be no significant difference if the classroom is removed from the building.

Mr. Costlow reviewed the options for the building. A discussion ensued regarding how to proceed. Mr. Costlow recommended to continue with the July revision. A discussion ensued and a consensus was reached to move forward with the July revision. The Board will meet again to discuss and vote on the building when the guaranteed maximum price is determined.

Mr. Eighmy left the meeting. The discussion regarding the Net Zero Building continued.

Meeting Adjourned.

LEASE EXTENSION AGREEMENT

This Lease Extension Agreement (“Agreement”) is entered into this ____ day of November, 2018 by and between **4110 Independent Drive, LP**, a Pennsylvania limited partnership (“Lessee”)

and

Sustainable Energy Fund, a Pennsylvania not for profit corporation (“Lessee”)

BACKGROUND

- A. Lessor and Lessee entered into an Office Space Lease dated March 20, 2017 (the “Lease”) relating to the Leased Premises as defined in the Lease.
- B. Lessor and Lessee desire to extend the Term of the Lease as more fully set forth herein.
- C. Lessor and Lessee desire to set forth the terms of their agreement in writing.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereby agree as follows:

- 1. Lessor and Lessee agree that the Background set forth above is incorporated herein by reference.
- 2. The Terms of the Lease shall extend for a period of one (1) year commencing on May 1, 2019 and ending on April 31, 2020 (the “Lease Extension Term”).
- 3. During the Lease Extension Term the Lessee shall pay Base Rent and Additional Rent the amount set forth in Exhibit A, attached hereto and incorporated herein by reference.
- 4. The Additional Rent shall continue to be subject to the provisions of Section 6 of the Lease.
- 5. Except as amended herein, the Lease shall remain in full force and effect.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first mentioned above.

LESSOR:

4110 INDEPENDENCE DRIVE, LP,
a Pennsylvania limited partnership

By: Liberty Square Three, LLC,
a New Jersey limited liability company,
its sole general partner

By: _____
Name: Allan P. Kirby, Jr.
Title: Member

LESSEE:

SUSTAINABLE ENERGY FUND,
a Pennsylvania not for profit corporation

By: _____
Name:
Title:

EXHIBIT A**Base Rent and Additional Rent****May 1, 2019 to April 30, 2020**

Base Rent/Month	\$ 3,758.33
Additional Rent/Month	\$ 1,863.36*
Total Rent/Month	\$ 5,621.69

*Subject to the provisions of Section 6 of the Lease.

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Sustainable Energy Fund

Vision 2019

October 10, 2018

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The purpose of the vision is to translate the organization's vision, direction and goals into outcomes defined by the organizational strategy. This document includes program narratives, high-level vision and financial allocations. SEF's Director, PRI and Director, Special Programs take this vision and create operational plans for the day-to-day operation of SEF's programs.

Collectively, Sustainable Energy Fund's programs seek to initiate a transformation to a sustainable energy future through a forward-looking, long-term, coordinated strategy. Individual programs seek to overcome specific barriers for energy users seeking to follow a path toward a sustainable energy future. Where possible, financial, educational and regulatory programs work together to leverage each other in an effort to achieve maximum results. Programs often evolve and change from year to year with the ultimate goal of a sustainable energy future.

Staff is currently creating a five-year strategic plan for the Sustainable Energy Fund. This plan includes variables such as construction of the net zero building and expansion of C-PACE. The scenario put forth in this vision is based on neither of these events happening and business continuing as normal. The strategic plan will be presented to the Board in November.

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Executive Summary

Background

Sustainable Energy Fund was created in 1999 as the result of electric utility deregulation in Pennsylvania and the subsequent settlement of PPL Electric's deregulation proceeding before the Public Utility Commission. The organization is incorporated and recognized by the US Internal Revenue Service as a 501(c)(3) not for profit organization for charitable, educational and scientific purposes.

From January 1, 1999 through December 31, 2005 Sustainable Energy Fund received ratepayer funding as an additional surcharge to distribution revenues at 0.01 ¢/kWh. From January 1, 2006 through December 31, 2006 Sustainable Energy Fund received ratepayer funding at 0.005¢/kWh. Public funding ceased on December 31, 2006.

Mission

The organization's mission is to develop and invest in economically viable, energy related businesses, projects and educational initiatives that create innovative, market-based technologies and solutions to enable environmentally sound and sustainable energy use.

Vision Statement

To lead Pennsylvania so that today's needs for environmentally sound, safe, affordable, abundant and reliable energy do not negatively affect the ability of future generations to meet their needs.

Values

We recognize that we have a responsibility to invest in and finance businesses and projects that others would not, while balancing the mission fit and financial risk of the SEF.

We recognize a responsibility to provide community access to sustainable energy education and to educate the leaders of today and tomorrow in sustainable energy.

We strive to achieve the mission and goals of the organization in a financially sustainable manner.

We are committed to personal and professional growth through continuous learning and development of the organization's staff.

We value courtesy, honesty, integrity, fairness, respect and trust and strive individually and as a team to "Do The Right Thing" at all times.

Goals

Strategic

- Reduce Energy Consumption from non-sustainable resources and increase energy produced by sustainable resources.
- Increase revenues from program related activities.
- Support businesses that create economically viable, innovative market-based technologies related to sustainable energy.
- Projects
 - Increase the deployment of renewable energy systems.
 - Increase energy conserved through energy efficiency improvements.
- Education
 - Increase energy literacy among the leaders of today and tomorrow.
 - Increase awareness of sustainable energy

Tactical

The goals for 2019 are to:

- achieve greater than \$400,000 in program related revenue;
- increase Energy Service Providers by 10%;
- achieve \$2 million in additional investments (includes equity, loans, leases, performance contracts);
- launch and execute a ½ day trainings combined with Power Lunches and Power Evenings;
- increase paid conference participation by 5% over 2018; and
- increase conference sponsorship and exhibitor revenue by 5% over 2018.

Organizational Structure

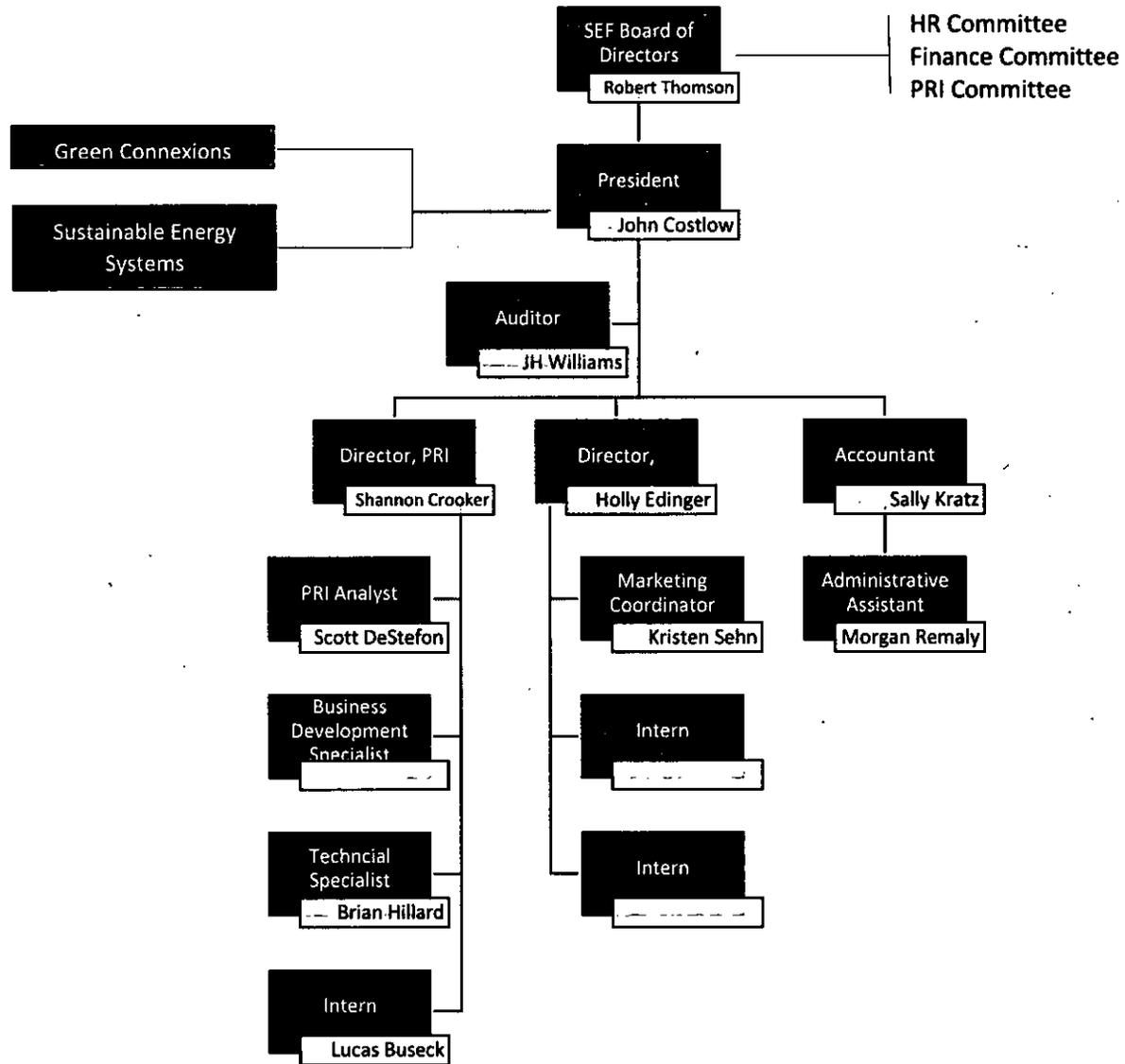
The organization structure remains unchanged as last year it was modified to maximize SEF's performance and focus on program related investments.

The organization is structured in three groups – traditional PRI's, special programs, and office functions.

The Special Programs Team, led by the Director, Special Programs, seeks to execute Energypath and special programs outside of SEF's traditional financial programs. The Program Related Investment Team, led by the Director, PRI seeks investments in economically viable, energy related businesses and projects. Each Director is responsible for the day-to-day operations of programs he or she is assigned. The Director plans, directs, coordinates and implements all phases of the assigned programs. Directors achieve goals and objectives through a combination of direct efforts as well as by influencing the behavior of individuals or groups inside and outside traditional organizational boundaries.

The structure also provides for utilization of consultants for accounting backup and special projects such as the net zero building where necessary. The auditors serve as the accounting consultants to provide additional review of financial information; access to specialized knowledge and skill sets beyond that of an accountant or individual controller; and, to serve as a backstop in case of accountant turnover. Special projects may require short-term temporary employee(s) or consultant(s) engaged specifically for the execution of a project of special interest to SEF. An example of this is the owner's representative for the net zero building.

Historically, due to the lack of duplicate and subordinate positions employee turnover has resulted in loss of organizational momentum. The current organizational structure provides backup for each key position in an effort to minimize organizational disruption due to employee illness or turnover. As detailed in the Presidential succession plan, the President is backed up by the Directors. The Director, PRI is backed up by the Business Development Specialist. The Director, Special Programs is backed up by the Director, PRI, the marketing coordinator and President. The Accountant backs up the Underwriter and Administrative Assistant and the auditors back up the Accountant. The Marketing Coordinator is backed up by the Director, Special Programs and marketing vendors while the Technical Specialist is backed up by the President and technical contractors. Each backup is cross-trained to cover the primary tasks of the covered employee. In addition, meetings are held with vendors to confirm they can meet SEF's needs in the event of employee turnover.



Programs, Education

Sustainable Energy Funds education programs seek to develop an understanding of and increase the passion for sustainable energy in the leaders of today and tomorrow as well as increase general awareness of sustainable energy. A subset of Americans are energy literate meaning they can trace energy flows, know how much energy he or she uses and where it comes from, can assess the credibility of information about energy, can communicate about energy use in meaningful ways, and are able to make informed energy and energy use decisions based on an understanding of impacts and consequences. An even smaller subset understands both energy and sustainability making it a challenge to achieve sustainable energy literacy. This lack of understanding results in less than optimal decision making. SEF's educational programs are designed to overcome the barriers to understanding sustainable energy and enhance decision making.

In 2019, SEF will assist energy users in overcoming barriers to sustainable energy education through a variety of means including activities to increase awareness of sustainable energy, educational sessions designed to increase knowledge of sustainable energy, and Energypath 2019.

Sustainable Energy Awareness

Sustainable Energy Fund will exhibit at the Pennsylvania Farm Show in Harrisburg among other venues. At its exhibits Sustainable Energy Fund will feature a solar thermal collector, a solar photovoltaic collector, a wind turbine and micro hydro turbine. Staff will handout LED light bulbs, as available, educational material on sustainable energy and promotional material about SEF's finance programs.

Educational Series

The educational series focus will be Power Lunches and Power Evenings. The Power Lunch is a program SEF ran several years ago with reasonable success. As we try to educate the area on net zero building the Power Lunches and Power Evenings will be the venue to do so. Monthly seminars and walk through tours will be held as the net zero building is constructed. This will continue into and through the winter of 2019. The net zero building sessions will be a mix of one-hour and half-day workshops aimed at equipping attendees with the knowledge needed to decrease a buildings energy consumption with philosophies like passive house and technologies to generate and store energy.

Energypath 2019

The Energypath event objective is to cultivate an understanding of and passion for sustainable energy in the leaders of today and tomorrow. Energypath delivers on its objective through four main events (1) preconference energy camps, (2) conference, (3) exposition and (4) science fair. Energypath 2018 theme is Financing Energy Projects. The conference will focus on different methods of financing projects as well as financial analysis of proposed and existing projects. The four preconference energy camps include Introduction to Sustainable Energy, Solar Photovoltaic Biomass, and Energy Policy. The conference, expo and science fair are being held at DeSales

University Conference Center on July 25, 2019. The preconference energy camps are being held July 22 through July 24.

Timeline, Education

Q1 2019	
	ESP Experience
	Launch Energypath 2018 website
	Prepare Agenda for Energypath 2018
	Launch Power Lunch
Q2 2019	
	Collect preconference data
	Develop educational plan for net zero building
	Launch Power Evenings
Q3 2019	
	Energypath 2019
	Hold ½ day net zero building workshop
	Collect Energypath outcome data
	Initial Draft FY2020 Operational Plan and Budget
Q4 2019	
	Hold ½ day net zero building workshops
	Produce post Energypath 2019 report.
	Final 2020 Operational Plan and Budget

Budget, Education

Income	
Conference	
Participants	\$8,000
Sponsors	\$19,000
Exhibitors	\$1,700
Grant Income	\$8,000
	Revenue
	\$36,700
Cost of Goods Sold	
Net Zero Workshops	\$8,000
	Training Program
	\$8,000
Energypath Event	
Room & Board	\$50,000
Facilities	\$6,000
Speakers & Trainers	\$20,000
Materials	\$2,500
Dinner	\$7,000
Science Fair and Awards	\$5,500
Supplies	\$2,500
Misc	\$2,500
	Energypath Event
	\$96,000
Expenses	
Marketing	\$55,000
Travel	\$18,000
Regulatory	\$35,000
Misc	\$1,000
	Expenses
	\$109,000
	Net (not including labor and G&A)
	(\$176,300)

Financial Services

Financial investments in clean and renewable energy technologies, energy conservation, energy efficiency and sustainable energy enterprises are fundamental mechanisms that allow the Sustainable Energy Fund to fulfill its mission. In the past, these investments have been in the form of debt and equity. Last year SEF completed both commercial loans and one equity transaction.

SEF has experienced declining loan interest income as the portfolio of loans has aged and decreased in value. In the eighteen months SEF saw an increase in portfolio balance and consequently interest income in the last half of 2017 and first half of 2018. In 2019, SEF will continue to focus on three areas energy service providers, commercial loans and nonprofit energy savings agreement.

Commercial Loans

Starting in FY2012, loan volume declined and was approaching the level maintained between FY2006 and FY2010. During the last half of 2017 two transactions doubled the size of the portfolio. This dramatic increase was temporary as one of the loans had an eighteen-month term and was paid off in the summer of 2018. Staff is currently finalizing contracts with the same entity that will dramatically increase the loan portfolio size although for a limited period of time. In 2017, SEF conducted market research determining key market drivers. That information has been used to target SEF's marketing efforts. To date in 2018 SEF has ran several campaigns including one titled "cost of inaction". The campaign focused on the money energy users are leaving on the table by not implementing energy efficiency retrofits. This was a multimedia campaign utilizing digital ads, advertorials and events.

Energy Service Providers

Active engagement of energy service providers or ESPs the key to SEF meeting its lending goals. At the beginning of 2018 SEF has 66 ESPs and a goal of 5% growth. Three quarters of the way through the year the Fund currently has 71 ESPs or growth of about 7%. Continued growth of ESPs will lead to more loans as the ESPs are in contact with energy users at the point in which they are deciding on how to pay for the energy improvement. ESPs are engaged through networking at events attended by contractors and cold calling. ESPs are actively engaged throughout the year and through the ESP experience held in January of each year.

Energy Savings Agreements

SEF sent brochures and post cards to more than 3,000 nonprofits during 2018 followed by cold calls. The Fund has also presented the nonprofit energy savings agreements to nonprofits through the Pennsylvania Association of Nonprofits (PANO) annual conference. Additional marketing will be conducted in 2019. SEF will continue its outreach to nonprofits and small businesses in 2019.

C-PACE

C-PACE will be the major focus for SEF in 2019. See special projects.

Timeline, Finance

Q1 2019	
	Launch Commercial Energy Savings Agreements Campaign
	Kick Off ESP Marketing Campaign
	ESP Experience
Q2 2019	
	Kick Off Commercial Loan Campaign
	Spring Energy Brief
Q3 2019	
	Initial Draft 2019 Operational Plan and Budget
Q4 2019	
	Winter Energy Brief
	Final 2019 Operational Plan and Budget

Budget, Finance

Income	
Program Related Investments	
PRI Interest	\$337,912
Processing Fees	\$25,000
Energy Savings Agreements	\$158,000
Other services	
	Income
	\$520,912
COGS	
NESA Services	\$22,500
Expenses	
Program Related Investments	
Legal -- PRI Contracts	\$20,000
Due Diligence	\$5,000
ESP Events	\$22,000
NESA Expense	\$2,500
Marketing -- exhibit fees, materials, printing, media placement	\$50,000
Special Projects	\$60,000
Travel	\$40,000
	Total
	\$199,500
	Net (not including labor and G&A)
	\$298,912

Special Programs

Commercial Property Assessed Clean Energy Financing (C-PACE)

SEF has begun the C-PACE process convening a core stakeholder group comprised of the Keystone Energy Efficiency Alliance, Philadelphia Energy Authority and Pittsburgh Office of Sustainability. In addition, SEF has held a conference call with state agencies including DCED, Treasury, Banking, Ag and DEP, state Energy Office to discuss implementation of the program. On October 4th the core group of stakeholders led by SEF conducted a stakeholder process to gather input on program and contractor guideline aspects of the C-PACE program. Additional stakeholder meetings are scheduled throughout October with general stakeholders and then counties in November.

SEF has engaged Abacus and its team as a consultant on the project as well as the law firm Stevens and Lee. The process has already produced a model resolution and cooperation agreement. The focus now is on developing the program guidelines and handbook.

The budget for C-PACE is included in the PRI budget under special projects.

Nonprofit Weatherization

As a result of reviewing more than 40 energy audits of nonprofit facilities, SEF has identified a gap in the market: weatherization. For many smaller nonprofits, significant weatherization issues were found within the audits. During 2019, SEF will continue to approach foundations in an effort to secure grants to conduct a nonprofit weatherization program. If a grant is secured, Staff will present a fully developed nonprofit weatherization program to the PRI Committee.

Net Zero Building

The primary focuses of SEF during 2019 will be growing the volume of Program Related Investments, implementing C-PACE and the net zero building project. The Net Zero Building project has advanced to 100% construction drawings and is out to bid. If approved by the Board the construction of the building will take significant effort to advance the project from its current stage to final completion during 2019.

Capital Projects

New Website

SEF has issued an RFP for creation of a new website and Staff is currently evaluating the various proposals to establish a budget for the project. The new website will be for SEF, Energypath and C-PACE. The project is project to cost approximately \$60,000 as it will require modification of SEF's Salesforce instance for Energypath registration. SEF will be shutting down its current Energypath registration website as it was created more than 8 years ago and the technology is out of date. This transition will centralize the information and continue SEF's effort to move all computing infrastructure to the cloud.

<p style="text-align: center;">Sustainable Energy Fund 2019 Annual Budget</p>

The first section contains the Summary, Consolidated and Individual Income Statements. The supporting schedules, which follow the income statements, provide the support for the revenue and expense items in the income statements. The Consolidated Income Statement references the supporting schedule number by each revenue and expense account.

The Financial and Educational Services Income Statements are also supported by the 2019 Operational Plan, which has been reviewed by the PRI (Financial Programs) and HR Committees (Educational Programs).

In addition, the Salary and Fringe Computation has been reviewed by the HR Committee.

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Supporting Schedules:

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- 2 Summary of Prepaid Loan Origination Fees
- 3 Summary of Operational Income and Expenses
- 4 Summary of Financial & Educational Services Expenses
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- 6 Salary and Fringe Computation
- 7 Summary of Board Expenses
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Sustainable Energy Fund
Summary Consolidated Income Statement - Budget
January 1, 2019 to December 31, 2019

	OPERATIONS	FINANCIAL SERVICES	EDUCATIONAL SERVICES	2019 TOTAL	2018 ANNUALIZED	2018 BUDGET
Business Unit Revenue	18,025	602,984	36,700	657,709	765,197	640,865
Cost of Goods Sold	-	25,000	96,000	121,000	77,877	104,850
Gross Profit	18,025	577,984	(59,300)	536,709	687,320	536,015
Cost of Occupancy	21,097	54,419	30,139	105,655	89,740	86,528
Depreciation Expense	6,977	144,339	9,967	161,283	150,280	137,796
Cost of Personnel	190,884	551,866	146,045	888,795	828,350	823,961
Board Expenses	9,400	800	800	11,000	3,400	11,000
Administrative Expenses	194,474	199,120	117,000	510,594	506,143	526,057
Total Expenses	422,832	950,544	303,951	1,677,327	1,577,913	1,585,342
Net Operating Income	(404,807)	(372,560)	(363,251)	(1,140,618)	(890,593)	(1,049,327)
Other Income and Expenses						
Endowment Revenue						
Dividend Income	74,124	-	-	74,124	137,856	85,345
Interest Income	101,920	-	-	101,920	48,900	105,426
Less: Investment Fees	(42,621)	-	-	(42,621)	(54,537)	(75,304)
Total Endowment Revenue	133,423	-	-	133,423	132,219	115,467
Unrealized Gain (Losses)	208,474	-	-	208,474	277,593	225,913
Gain(Loss) on Investments	-	-	-	-	-	-
Bad Debt Expense	-	-	-	-	(35,220)	-
Loan/Equity Loss Allowance	-	(29,599)	-	(29,599)	2,477	618
Non-Operating Income (Expenses)	341,897	(29,599)	-	312,298	377,069	341,998
Accrual Net Income	(62,910)	(402,159)	(363,251)	(828,320)	(513,524)	(707,329)
Adjustment to Cash Net Income						
Depreciation	6,977	144,339	9,967	161,283	150,280	137,796
Allowance for Doubtful Accounts	-	29,599	-	29,599	2,477	(618)
PRI Loan Disbursements	-	(2,000,000)	-	(2,000,000)	(7,426,463)	(2,000,000)
Return of Principal	-	4,816,054	-	4,816,054	7,161,581	6,024,729
Gain(Loss) on Investments/Bad Debt	-	-	-	-	(35,220)	-
Equipment	(60,000)	-	-	(60,000)	(85,841)	(40,000)
Cash Net Income	(115,933)	2,587,833	(353,284)	2,118,616	(746,710)	3,414,578

Sustainable Energy Fund
Consolidated Income Statement - Budget
January 1, 2019 to December 31, 2019

	OPERATIONS	FINANCIAL SERVICES	EDUCATIONAL SERVICES	2019 TOTAL	2018 ANNUALIZED	2018 BUDGET
Interest Income - PRI	-	393,376	-	393,376	479,368	366,734
Interest Income - Instant Rebates	-	-	-	-	-	-
Processing Fee Revenue	-	49,475	-	49,475	64,408	51,774
Nonprofit Energy Savings Agreements	-	160,133	-	160,133	157,217	157,632
Renewable Energy Generation PPAs	-	-	-	-	-	-
Interest Income - Money Market	3	25	-	25	100	25
Donation Income	3	18,000	-	18,000	18,000	18,000
Income - Participants	-	-	4	8,000	9,051	8,000
Income - Sponsors	-	-	4	19,000	18,050	19,000
Income - Exhibit	-	-	4	1,700	2,862	1,700
Grant Income	-	-	4	8,000	5,000	8,000
Alternative Compliance Payment	-	-	-	-	11,006	10,000
Other Income - Misc.	-	-	-	-	135	-
Business Unit Revenue	18,025	602,984	36,700	657,709	765,197	640,865
Cost of Sales						
Room & Board (Campers)	-	-	4	50,000	40,219	37,000
Conference Rooms/Food/Facilities	-	-	4	6,000	3,085	6,000
Speakers & Trainers	-	-	4	20,000	15,348	20,000
Materials	-	-	4	2,500	2,231	1,500
Dinner	-	-	4	7,000	7,184	6,000
Awards	-	-	4	5,500	5,547	5,350
Supplies	-	-	4	2,500	1,215	1,500
Miscellaneous	-	-	4	2,500	3,048	2,500
NESA Services & Expense	-	4	-	25,000	-	25,000
Total Cost of Goods Sold	-	25,000	96,000	121,000	77,877	104,850
Gross Profit	18,025	577,984	(59,300)	536,709	687,320	536,015
Occupancy						
Rent	5	5	5	-	66,707	66,348
Cleaning	5	5	5	13,137	5,099	5,200
Moving Costs	5	5	5	1,092	-	-
Records Management	5	5	5	2,100	-	-
Utilities	5	5	5	378	5,540	4,800
Building Maintenance	5	5	5	1,260	-	-
Property Insurance	5	5	5	302	4,338	4,180
Property Taxes	5	5	5	1,148	8,146	6,000
	5	5	5	1,680	-	-
Cost of Occupancy	21,097	54,419	30,139	105,655	89,740	86,528
Depreciation						
NESA Depreciation	-	12	-	128,060	127,060	106,045
Depreciation - Other	12	12	12	6,977	23,220	31,751
Depreciation Expense	6,977	144,339	9,967	161,283	150,280	137,796
Personnel Costs						
Salaries/Wages	6	6	6	131,762	588,912	595,440
Fringe Benefits	6	6	6	29,321	141,705	133,430
Payroll Taxes	6	6	6	10,848	56,727	49,770
Payroll Expense	6	-	-	2,000	1,885	2,000
Recruiting & Relocation	6	-	-	3,500	4,800	3,500
Performance Incentives	6	6	6	3,913	16,321	16,321
Contract Managers/Temp Empl	6	-	-	3,000	-	3,000
Training/Registrations	8	8	8	6,540	18,000	20,500
Cost of Personnel	190,884	551,866	146,045	888,795	828,350	823,961
Board Expenses						
Director Recruitment	7	-	-	7,000	3,000	7,000
Meeting Expenses	7	7	7	1,200	400	2,000
Reimbursable Expense	7	7	7	1,200	-	2,000
Miscellaneous	-	-	-	-	-	-
Board Expenses	9,400	800	800	11,000	3,400	11,000
Administrative Expenses						
Dues/Membership/PUB	3	-	-	10,500	10,500	10,500
Insurance	3	-	-	9,949	9,376	5,232
Marketing - General	8	8	8	25,000	105,000	105,000
Marketing - Research	-	-	-	-	-	-
Office Supplies	3	-	-	32,000	26,000	32,000
Auditing/Tax	3	-	-	14,325	10,525	10,525
Consulting	3	-	-	10,100	500	20,100
Legal - General	3	-	-	15,000	13,000	8,000

Sustainable Energy Fund
Consolidated Income Statement - Budget
January 1, 2019 to December 31, 2019

		OPERATIONS		FINANCIAL SERVICES		EDUCATIONAL SERVICES		2019 TOTAL		2018 ANNUALIZED		2018 BUDGET
Legal - PRI/Contracts		-	4	20,000		-		20,000		21,000		10,000
Legal - Reg - Rate Increase		-		-	4	15,000		15,000		-		15,000
Legal - Reg - TOU		-		-		-		-		5,200		15,000
Legal - Reg - EE&C		-		-	4	5,000		5,000		2,000		5,000
Legal - Reg - Default Services		-		-		-		-		400		-
Legal - Reg - Unknown		-		-	4	15,000		15,000		400		7,500
Due Diligence		-	4	5,000		-		5,000		2,000		5,000
Financial/System Control	3	3,000		-		-		3,000		3,000		3,000
Consulting		-		-		-		-		-		-
Printing/Postage	3	5,500		-		-		5,500		5,500		5,500
ESP Events Expenses		-	4	22,000		-		22,000		12,176		22,000
Non Profit and Net Zero Workshops		-		-		8,000		8,000		-		8,000
Telephone	3	15,000		1,620		-		16,620		15,016		15,000
Travel	8	12,600	8	40,000	8	18,000		70,600		36,000		53,700
MIS Support/Web Hosting	3	40,000		-		-		40,000		21,000		37,000
Non Profit Energy Makeover		-		-		-		-		46,000		50,000
Solarize Campaign		-		-		-		-		80,000		80,000
C-PACE		-	4	60,000		-		60,000		80,000		-
Miscellaneous	8	1,500	8	500	8	1,000		3,000		1,550		3,000
Administrative Expenses		194,474		199,120		117,000		510,594		506,143		526,057
Total Expenses		422,832		950,544		303,951		1,677,327		1,577,913		1,585,342
Net Operating Income		(404,807)		(372,560)		(363,251)		(1,140,618)		(890,593)		(1,049,327)
Other Income and Expenses												
Endowment Revenue												
Dividend Income	9	74,124		-		-		74,124		137,856		85,345
Interest Income	9	101,920		-		-		101,920		48,900		105,426
Less: Investment Fees	9	(42,621)		-		-		(42,621)		(54,537)		(75,304)
Total Endowment Revenue		133,423		-		-		133,423		132,219		115,467
Unrealized Gain (Losses)	9	208,474		-		-		208,474		277,593		225,913
Gain(Loss) on Investments		-		-		-		-		-		-
Bad Debt Expense		-		-		-		-		(35,220)		-
Loan/Equity Loss Allowance		-	10	(29,599)		-		(29,599)	10	2,477		618
Non-Operating Income (Expenses)		341,897		(29,599)		-		312,298		377,069		341,998
Accrual Net Income		(62,910)		(402,159)		(363,251)		(828,320)		(513,524)		(707,329)
Cash Adjustment												
Depreciation	12	6,977	12	144,339	12	9,967		161,283		150,280		137,796
Allowance for Doubtful Accounts		-	10	29,599		-		29,599		2,477		(618)
PRI Loan/NESA Disbursements		-	9,10	(2,000,000)		-		(2,000,000)		(7,426,463)		(2,000,000)
Return of Principal		-	10	4,816,054		-		4,816,054		7,161,581		6,024,729
Gain(Loss) on Investments/Bad Debt		-		-		-		-		(35,220)		-
Equipment	11	(60,000)	11	-		-		(60,000)		(85,841)		(40,000)
Net Cash Adjustments		(53,023)		2,989,992		9,967		2,946,936		(233,186)		4,121,907
Cash Net Income		(115,933)		2,587,833		(353,284)		2,118,616		(746,710)		3,414,578

**Sustainable Energy Fund
Operations Services Income Statement
December 31, 2019 Budget**

	2019 BUDGET	2018 ANNUALIZED	2018 BUDGET
Interest Income - PRI			
Interest Income - Instant Rebates			
Processing Fee Revenue			
Nonprofit Energy Savings Agreements			
Renewable Energy Generation PPAs			
Interest Income - Money Market	25	100	25
Donation Income	18,000	18,000	18,000
Income - Participants			
Income - Sponsors			
Income - Exhibit			
Grant Income			
Alternative Compliance Payment			
Other Income - Misc.			
Business Unit Revenue	18,025	18,100	18,025
Cost of Sales			
Room & Board (Campers)			
Conference Rooms/Food/Facilities			
Speakers & Trainers			
Materials			
Dinner			
Awards			
Supplies			
Miscellaneous			
NESA Services & Expense			
Total Cost of Goods Sold	-	-	-
Gross Profit	18,025	18,100	18,025
Occupancy			
Rent	13,137	13,220	12,875
Cleaning	1,092	1,082	1,092
Moving Costs	2,100	-	-
Records Management	378	-	-
Utilities	1,260	540	1,008
Building Maintenance	302	-	-
Property Insurance	1,148	911	878
Property Taxes	1,680	1,488	1,260
Cost of Occupancy	21,097	17,241	17,113
Depreciation			
NESA Depreciation	-	-	-
Depreciation - Other	6,977	4,876	6,668
Depreciation Expense	6,977	4,876	6,668
Personnel Costs			
Salaries/Wages	131,762	172,568	132,934
Fringe Benefits	29,321	72,265	32,779
Payroll Taxes	10,848	15,340	10,580
Payroll Expense	2,000	1,885	2,000
Recruiting & Relocation	3,500	4,800	3,500
Performance Incentives	3,913	3,988	3,988
Contract Managers/Temp Empl	3,000	-	3,000
Training/Registrations	6,540	4,500	7,500
Cost of Personnel	190,884	275,346	196,281
Board Expenses			

Sustainable Energy Fund
Operations Services Income Statement
December 31, 2019 Budget

	2019 BUDGET	2018 ANNUALIZED	2018 BUDGET
Director Recruitment	7,000	3,000	7,000
Meeting Expenses	1,200	400	1,200
Reimbursable Expense	1,200		1,200
Miscellaneous	-		-
Board Expenses	9,400	3,400	9,400
Administrative Expenses			
Dues/Membership/Pub	10,500	10,500	10,500
Insurance	9,949	9,376	5,232
Marketing - General	25,000	25,000	25,000
Marketing - Research	-	-	-
Office Supplies	32,000	26,000	32,000
Auditing/Tax	14,325	10,525	10,525
Consulting	10,100	500	20,100
Legal - General	15,000	13,000	8,000
Legal - PRI/Contracts			
Legal - Reg - Rate Increase			
Legal - Reg - TOU			
Legal - Reg - EE&C			
Legal - Reg - Default Services			
Legal - Reg - Unknown			
Due Diligence			
Financial/System Control	3,000	3,000	3,000
Printing/Postage	5,500	5,500	5,500
ESP Event Expense			
Non Profit and Net Zero Workshops			
Telephone	15,000	13,500	13,700
Travel	12,600	10,000	12,600
MIS Support/Web Hosting	40,000	21,000	37,000
Non Profit Energy Makeover			
Solarize Campaign			
C-PACE			
Miscellaneous	1,500	750	1,500
Administrative Expenses	194,474	148,651	184,657
Total Expenses	422,832	449,514	414,119
Net Operating Income	(404,807)	(431,414)	(396,094)
Other Income and Expenses			
Endowment Revenue			
Dividend Income	74,124	137,856	85,345
Interest Income	101,920	48,900	105,426
Less: Investment Fees	(42,621)	(54,537)	(75,304)
Total Endowment Revenue	133,423	132,219	115,467
Unrealized Gain (Losses)	208,474	277,593	225,913
Gain(Loss) on Investments			
Bad Debt Expense			
Loan Loss Reserve			
Non-Operating Income (Expenses)	341,897	409,812	341,380
Accrual Net Income	(62,910)	(21,602)	(54,714)
Cash Adjustment			
Depreciation	6,977	4,876	6,668

**Sustainable Energy Fund
Operations Services Income Statement
December 31, 2019 Budget**

	2019 BUDGET	2018 ANNUALIZED	2018 BUDGET
Allowance for Doubtful Accounts			
PRI Loan/NESA Disbursements			
Return of Principal			
Gain(Loss) on Investments/Bad Debt Equipment	(60,000)	(21,752)	(35,000)
Net Cash Adjustments	(53,023)	(16,876)	(28,332)
Cash Net Income	(115,933)	(38,478)	(83,046)

**Sustainable Energy Fund
Financial Services Income Statement
December 31, 2019 Budget**

				2019	2018	2018
	Unallocated	PRI	ESPs	BUDGET	ANNUALIZED	BUDGET
Interest Income - PRI		393,376		393,376	479,388	366,734
Interest Income - Instant Rebates				-	-	-
Processing Fee Revenue		49,475		49,475	64,408	51,774
Nonprofit Energy Savings Agreements		160,133		160,133	157,217	157,632
Renewable Energy Generation PPAs				-	-	-
Interest Income - Money Market				-	-	-
Donation Income				-	-	-
Income - Participants				-	-	-
Income - Sponsors				-	-	-
Income - Exhibit				-	-	-
Grant Income				-	-	-
Alternative Compliance Payment				-	11,006	10,000
Other Income-Misc.				-	-	-
Business Unit Revenue	-	602,984	-	602,984	711,999	586,140
Cost of Sales						
Room & Board (Campers)				-	-	-
Conference Rooms/Food/Facilities				-	-	-
Speakers & Trainers				-	-	-
Materials				-	-	-
Dinner				-	-	-
Awards				-	-	-
Supplies				-	-	-
Miscellaneous				-	-	-
NESA Services & Expense		25,000		25,000	-	25,000
Total Cost of Goods Sold	-	25,000	-	25,000	-	25,000
Gross Profit	-	577,984	-	577,984	711,999	561,140
Occupancy						
Rent	35,844			35,844	35,094	35,081
Cleaning	2,548			2,548	2,442	2,548
Moving Costs	4,900			4,900	-	-
Records Management	882			882	-	-
Utilities	2,940			2,940	3,000	2,352
Building Maintenance	706			706	-	-
Property Insurance	2,679			2,679	2,126	2,048
Property Taxes	3,920			3,920	4,894	2,940
Cost of Occupancy	54,419	-	-	54,419	47,556	44,969
Depreciation						
NESA Depreciation	128,060			128,060	127,060	106,045
Depreciation - Other	16,279			16,279	11,378	15,558
Depreciation Expense	144,339	-	-	144,339	138,438	121,603
Personnel Costs						
Salaries/Wages	386,319			386,319	318,854	364,827
Fringe Benefits	107,319			107,319	55,346	86,296
Payroll Taxes	31,443			31,443	31,079	29,469
Payroll Expense				-	-	-
Recruiting & Relocation				-	-	-
Performance Incentives	10,630			10,630	10,189	10,189
Contract Managers/Temp Empl				-	-	-
Training/Registrations	16,155			16,155	12,500	9,500
Cost of Personnel	551,866	-	-	551,866	427,968	500,281
Board Expenses						
Recruiting				-	-	-
Meeting Expenses	400			400	-	400
Reimbursable Expense	400			400	-	400
Miscellaneous				-	-	-
Board Expenses	800	-	-	800	-	800
Administrative Expenses						
Dues/Membership/Pub				-	-	-
Insurance				-	-	-
Marketing - General	50,000			50,000	50,000	50,000

Sustainable Energy Fund
Financial Services Income Statement
December 31, 2019 Budget

				2019	2018	2018
	Unallocated	PRI	ESPs	BUDGET	ANNUALIZED	BUDGET
Marketing - Research				-		-
Office Supplies				-		-
Auditing/Tax				-		-
Consulting				-		-
Legal - General				-		-
Legal - PRI/Contracts		20,000		20,000	21,000	10,000
Legal - Reg - Rate Increase				-		-
Legal - Reg - TOU				-		-
Legal - Reg - EE&C				-		-
Legal - Reg - Default Services				-		-
Legal - Reg - Unknown				-		-
Due Diligence		5,000		5,000	2,000	5,000
Financial/System Control				-		-
Consulting				-		-
Printing/Postage				-		-
ESP Events Expenses			22,000	22,000	12,176	22,000
Non Profit and Net Zero Workshops				-		-
Telephone	1,620			1,620	1,516	1,300
Travel	40,000			40,000	23,000	23,100
MIS Support/Web Hosting				-		-
Non Profit Energy Makeover		-		-	46,000	50,000
Solarize Campaign		-		-	80,000	80,000
C-PACE		60,000		60,000	80,000	-
Miscellaneous	500			500	-	500
Administrative Expenses	92,120	85,000	22,000	199,120	315,692	241,900
Total Expenses	843,544	85,000	22,000	950,544	929,654	909,553
Net Operating Income	(843,544)	492,984	(22,000)	(372,560)	(217,655)	(348,413)
Other Income and Expenses						
Endowment Revenue						
Dividend Income				-	-	-
Interest Income				-	-	-
Less: Investment Fees				-	-	-
Total Endowment Revenue	-	-	-	-	-	-
Unrealized Gain (Losses)						
Gain(Loss) on Investments				-	-	-
Bad Debt Expense				-	(35,220)	-
Loan/Equity Loss Allowance		(29,599)		(29,599)	2,477	618
Non-Operating Income (Expenses)	-	(29,599)	-	(29,599)	(32,743)	618
Accrual Net Income	(843,544)	463,385	(22,000)	(402,159)	(250,398)	(347,795)
Cash Adjustment						
Depreciation	144,339			144,339	138,438	121,603
Allowance for Doubtful Accounts		29,599		29,599	2,477	(618)
PRI Loan/NESA Disbursements		(2,000,000)		(2,000,000)	(7,426,463)	(2,000,000)
Return of Principal		4,816,054		4,816,054	7,161,581	6,024,729
Gain(Loss) on Investments/Bad Debt				-	(35,220)	-
Equipment				-	(64,089)	(5,000)
Net Cash Adjustments	144,339	2,845,653	-	2,989,992	(223,276)	4,140,714
Cash Net Income	(699,205)	3,309,038	(22,000)	2,587,833	(473,674)	3,792,919

Sustainable Energy Fund
Educational Services Income Statement
December 31, 2019 Budget

	Education				2019	2018	2018
	Unallocated	Conference	Series	Regulatory	BUDGET	ANNUALIZED	BUDGET
Interest Income - PRI					-	-	-
Interest Income - Instant Rebates					-	-	-
Processing Fee Revenue					-	-	-
Nonprofit Energy Savings Agreements					-	-	-
Renewable Energy Generation PPAs					-	-	-
Interest Income - Money Market					-	-	-
Donation Income					-	-	-
Income - Participants		8,000			8,000	9,051	8,000
Income - Sponsors		19,000			19,000	18,050	19,000
Income - Exhibitors		1,700			1,700	2,862	1,700
Grant Income		8,000			8,000	5,000	8,000
Alternative Compliance Payment					-	-	-
Other income - Misc.					-	135	-
Business Unit Revenue	-	36,700	-	-	36,700	35,098	36,700
Cost of Sales							
Room & Board (Campers)		50,000			50,000	40,219	37,000
Conference Rooms/Food/Facilities		6,000			6,000	3,085	6,000
Speakers & Trainers		20,000			20,000	15,348	20,000
Materials		2,500			2,500	2,231	1,500
Dinner		7,000			7,000	7,184	6,000
Science Fair / Awards		5,500			5,500	5,547	5,350
Supplies		2,500			2,500	1,215	1,500
Miscellaneous		2,500			2,500	3,048	2,500
NESA Services & Expense					-	-	-
Total Cost of Goods Sold	-	96,000	-	-	96,000	77,877	79,850
Gross Profit	-	(59,300)	-	-	(59,300)	(42,779)	(43,150)
Occupancy							
Rent	18,767				18,767	18,393	18,392
Cleaning	1,560				1,560	1,485	1,560
Moving Costs	3,000				3,000	-	-
Records Management	540				540	-	-
Utilities	1,800				1,800	2,000	1,440
Building Maintenance	432				432	-	-
Property Insurance	1,640				1,640	1,301	1,254
Property Taxes	2,400				2,400	1,764	1,800
Cost of Occupancy	30,139	-	-	-	30,139	24,944	24,446
Depreciation							
NESA Depreciation	-				-	-	-
Depreciation - Other	9,967				9,967	6,966	9,525
Depreciation Expense	9,967	-	-	-	9,967	6,966	9,525
Personnel Costs							
Salaries/Wages	104,978				104,978	97,490	97,679
Fringe Benefits	21,661				21,661	14,094	14,355
Payroll Taxes	9,952				9,952	10,308	9,721
Payroll Expense					-	-	-
Recruiting & Relocation					-	-	-
Performance Incentives	4,149				4,149	2,144	2,144
Contract Managers/Temp Empl					-	-	-
Training/Registrations	5,305				5,305	1,000	3,500
Cost of Personnel	146,045	-	-	-	146,045	125,036	127,399
Board Expenses							
Recruiting	-				-	-	-
Meeting Expenses	400				400	-	400
Reimbursable Expense	400				400	-	400
Miscellaneous	-				-	-	-
Board Expenses	800	-	-	-	800	-	800
Administrative Expenses							

Sustainable Energy Fund
Educational Services Income Statement
December 31, 2019 Budget

					2019	2018	2018
	Unallocated	Conference	Education Series	Regulatory	BUDGET	ANNUALIZED	BUDGET
Dues/Membership/Pub					-		-
Insurance					-		-
Marketing - General	55,000				55,000	30,000	30,000
Marketing - Research					-		-
Office Supplies					-		-
Auditing/Tax					-		-
Consulting					-		-
Legal - General					-		-
Legal - PRI/Contracts					-		-
Legal - Reg - Rate Increase				15,000	15,000	-	15,000
Legal - Reg - TOU					-	5,200	15,000
Legal - Reg - EE&C				5,000	5,000	2,000	5,000
Legal - Reg - Default Services					-	400	-
Legal - Reg - Unknown				15,000	15,000	400	7,500
Due Diligence					-		-
Financial/System Control					-		-
Consulting					-		-
Printing/Postage					-		-
ESP Event Expense					-		-
Non Profit and Net Zero Workshops			8,000		8,000	-	8,000
Telephone					-		-
Travel	18,000				18,000	3,000	18,000
MIS Support/Web Hosting					-		-
Non Profit Energy Makeover					-		-
Solarize Campaign					-		-
C-PACE					-		-
Miscellaneous	1,000				1,000	800	1,000
Administrative Expenses	74,000	-	8,000	35,000	117,000	41,800	99,500
Total Expenses	260,951	-	8,000	35,000	303,951	198,746	261,670
Net Operating Income	(260,951)	(59,300)	(8,000)	(35,000)	(363,251)	(241,525)	(304,820)
Other Income and Expenses							
Endowment Revenue							
Dividend Income					-	-	-
Interest Income					-	-	-
Less: Investment Fees					-	-	-
Total Endowment Revenue	-	-	-	-	-	-	-
Unrealized Gain (Losses)					-	-	-
Gain(Loss) on Investments					-	-	-
Bad Debt Expense					-	-	-
Loan Loss Reserve					-	-	-
Non-Operating Income (Expenses)	-	-	-	-	-	-	-
Accrual Net Income	(260,951)	(59,300)	(8,000)	(35,000)	(363,251)	(241,525)	(304,820)
Cash Adjustment							
Depreciation	9,967	-	-	-	9,967	6,966	9,525
Allowance for Doubtful Accounts					-	-	-
PRI Loan/NESA Disbursements					-	-	-
Return of Principal					-	-	-
Gain(Loss) on Investments/Bad Debt					-	-	-
Equipment					-	-	-
Net Cash Adjustments	9,967	-	-	-	9,967	6,966	9,525
Cash Net Income	(250,984)	(59,300)	(8,000)	(35,000)	(353,284)	(234,559)	(295,295)

Schedule 1B: Loan Payments - Principal
1/1/19 - 12/31/19

Summary of Principal Payments	12/31/2018													12/31/2019	
	Balance	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total	Balance
1952 Bryn Mawr Avenue, RH, LLC (\$150k, 6.0%, 10 yrs)	148,027.60	334.51	336.18	337.87	339.55	341.25	342.96	344.67	346.40	348.13	349.87	351.62	353.38	4,176.39	143,901.21
Bridge Five Condominium Assoc (\$53k, 4.0%, 5 yrs)	17,024.94	919.33	922.39	925.47	928.55	931.65	934.75	937.87	941.00	944.13	947.28	950.44	953.61	11,236.47	5,788.47
CAN-DO Greater Hazelton (\$150k, 4%, 5 yrs)	100,751.11	2,426.64	2,434.73	2,442.85	2,450.99	2,459.16	2,467.36	2,475.58	2,483.83	2,492.11	2,500.42	2,508.76	2,517.12	29,659.55	71,091.56
Cast Iron Building	71,545.12	381.50	383.61	385.73	387.87	390.01	392.17	394.34	396.52	398.72	400.92	403.14	405.37	4,719.90	66,825.22
Chandler Hall	203,864.91	917.51	922.29	927.10	931.92	936.78	941.66	946.56	951.49	956.45	961.43	966.44	971.47	11,331.10	192,533.81
Cherry Hill	537,436.96	2,706.67	2,720.66	2,734.71	2,748.84	2,763.05	2,777.32	2,791.67	2,806.09	2,820.59	2,835.17	2,849.81	2,864.54	33,419.12	504,017.84
Colonial Volkswagen, Inc. (\$36.5k, 4.0%, 5 yrs)	12,984.93	628.92	631.01	633.12	635.23	637.34	639.47	641.60	643.74	645.88	648.04	650.20	652.37	7,686.92	5,298.01
Evergreen Road Associates (\$388k, 8.00%, 5.5 yrs)	12,547.03		9,394.76			3,152.27								12,547.03	-
Forest City School District (\$228,397, 2%, 15 yrs)	42,979.72	1,398.13	1,400.46	1,402.80	1,405.13	1,407.48	1,409.82	1,412.17	1,414.53	1,416.88	1,419.24	1,421.61	1,423.98	16,932.23	26,047.49
Forest Hills PPA, LLC (\$270,900, 5.25%, 7 yrs)	263,029.38	674.69	677.64	680.60	683.58	686.57	689.57	692.59	695.62	698.67	701.72	704.79	707.88	8,293.92	254,735.46
Gardner's Mattress (\$9,710, 5%, 4 yrs)	8,786.59	187.00	187.78	188.56	189.35	190.14	190.93	191.72	192.52	193.32	194.13	194.94	195.75	2,296.14	6,490.45
Hollidaysburg Area YMCA (\$32k, 0%, 5 yrs)	833.15	166.67	166.67	166.67	166.67	166.67								833.15	-
Indian Springs Sawmill (\$80,100, 4.0%, 5 yrs)	40,143.18	1,320.72	1,325.12	1,329.54	1,333.97	1,338.42	1,342.88	1,347.35	1,351.85	1,356.35	1,360.87	1,365.41	1,369.96	16,142.44	24,000.74
JCC Metrowest	70,284.71	4,247.22	4,266.22	4,285.31	4,304.49	4,323.75	4,343.10	4,362.54	4,382.06	4,401.67	4,421.37	4,441.15	4,461.03	52,239.91	18,044.80
J.L. Freed & Sons, Inc. (\$225k, 4.0%, 5 yrs)	7,075.91	1,942.37	1,948.84	1,955.34	1,961.83	1,968.33	1,974.83	1,981.33	1,987.83	1,994.33	1,999.99	2,005.66	2,011.33	6,873.28	202.63
Jewish Fed. of Gr. Philadelphia (\$85k, 0%, 5 yrs)	25,499.86	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	1,416.67	17,000.04	8,499.82
Jewish Home - Greater Harrisburg (\$75,430, 0%, 5 yrs)	2,514.72	1,257.16	1,257.56											2,514.72	-
Juniata County School District (\$891,369, 2%, 15 yrs)	129,326.49	5,520.49	5,529.69	5,538.91	5,548.14	5,557.39	5,566.65	5,575.93	5,585.22	5,594.53	5,603.85	5,613.19	5,622.55	66,856.54	62,469.90
Kimmel Center, Inc. (\$90k, 0%, 5 yrs)	7,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00								7,500.00	-
Kingsley Association (\$87k, 0%, 5 yrs)	26,100.00	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	1,450.00	17,400.00	8,700.00
Kobernick Anchin	437,404.11	3,609.17	3,629.14	3,649.22	3,669.41	3,689.72	3,710.13	3,730.66	3,751.30	3,772.06	3,792.93	3,813.92	3,835.02	44,652.68	392,751.43
Laura Blau & Paul Thompson (\$323,772, 5.0%, 5 yrs)	331,464.26	1,176.07	1,180.97	1,185.89	1,190.83	1,195.79	1,200.77	1,205.78	1,210.80	1,215.85	1,220.91	1,226.00	1,231.11	14,440.77	317,023.49
Leading Age	70,851.89	297.74	299.36	300.98	302.61	304.25	305.89	307.55	309.22	310.89	312.58	314.27	315.97	3,681.31	66,970.58
Londonderry School (\$438,458, 6.25%, 5 yrs)	252,228.37	1,210.75	1,217.06	1,223.40	1,229.77	1,236.17	1,242.61	1,249.09	1,255.59	1,262.13	1,268.70	1,275.31	1,281.95	14,952.53	237,275.84
Maplewood Virginia, LLP	189,174.10	712.39	716.25	720.13	724.03	727.95	731.89	735.86	739.84	743.85	747.88	751.93	756.00	8,808.00	180,366.10
PA Family Institute	3,161.88	170.74	171.31	171.88	172.45	173.03	173.61	174.18	174.76	175.35	175.93	176.52	177.11	2,086.87	1,075.01
PA Leadership Charter School (\$134k, 4.0%, 3 yrs)	23,463.02	3,878.00	3,890.93	3,903.90	3,916.91	3,929.97	3,943.31							23,463.02	-
Phalanx Associates (\$795k, 8%, 5.5 yrs)	94,103.17		19,449.03			19,838.01			20,234.77			20,639.46		80,161.27	13,941.90
Pike County Library, Inc. (\$27,660, 4.0%, 5 yrs)	25,982.83	422.79	424.20	425.61	427.03	428.46	429.88	431.32	432.75	434.20	435.64	437.10	438.55	5,167.53	20,815.30
Pitcairn Building	50,824.18	373.61	374.86	376.11	377.36	378.62	379.88	381.15	382.42	383.69	384.97	386.26	387.54	4,566.47	46,057.71
Radio Road (\$365,000, 8.0%, 5.5 yrs)	45,464.42		10,153.59			10,356.66			10,563.80			10,775.07		41,849.12	3,615.30
Richard Anzivino (\$13,485, 8.25%, 5 yrs)	1,078.92	267.23	269.07	270.92	271.70									1,078.92	-
Susque-View Home, Inc. (\$90k, 0%, 5 yrs)	15,000.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	15,000.00	-
TBJ, Inc.	26,142.85	596.11	598.09	600.09	602.09	604.10	606.11	608.13	610.16	612.19	614.23	616.28	618.33	7,285.91	18,856.94
The Racquet Club of Philadelphia	120,569.05	498.49	501.19	503.90	506.63	509.38	512.14	514.91	517.70	520.50	523.32	526.16	529.01	6,163.33	114,405.72
Ursinus (\$1,296,722, 4%, 5 yrs)	1,296,722.00	8,924.28	8,954.03	8,983.87	9,013.82	9,043.87	9,074.01	9,104.26	9,134.61	9,165.05	9,195.60	9,226.26	9,257.01	109,076.67	1,187,645.33
Youth Advocate Programs, Inc. (\$33,558, 0%, 5 yrs)	4,474.40	559.30	559.30	559.30	559.30	559.30	559.30	559.30	559.30					4,474.40	-
Projected New Loans:															
4th Qtr. 2018															
CES Community Solar Gardens 2 (\$4.5m, 6.50%, 6 mo)	3,822,000.00	764,400.00	764,400.00	764,400.00	764,400.00	764,400.00								3,822,000.00	-
SolarSense PA II PSU (\$1m, 4.0%, 7 yrs)	994,537.97	2,744.68	2,753.83	2,763.01	2,772.22	2,781.46	2,790.73	2,800.03	2,809.36	2,818.73	2,828.12	2,837.55	2,847.01	33,546.73	960,991.24
Skyboom LLC (\$89,352, 6.25% 7 yrs)	89,352.00	850.66	855.09	859.55	864.02	868.52	873.05	877.60	882.17	886.76	891.38	896.02	900.69	10,505.51	78,846.49
Kraybill School (\$36,650, 6.25%, 7 yrs)	36,650.00	348.92	350.74	352.57	354.40	356.25	358.10	359.97	361.84	363.73	365.62	367.53	369.44	4,309.11	32,340.89
Mutzabaugh Market (\$21,926, 4.0%, 5 yrs)	21,926.00	330.71	331.82	332.92	334.03	335.15	336.26	337.38	338.51	339.64	340.77	341.9	343.04	4,042.13	17,883.87
2019 Unknown \$500k 4.75% 5 years (1/1/19)	500,000.00	7,399.29	7,428.58	7,457.98	7,487.50	7,517.14	7,546.90	7,576.77	7,606.76	7,636.87	7,667.10	7,697.45	7,727.92	90,750.26	409,249.74
2019 Unknown \$500k 4.75% 5 years (4/1/19)	500,000.00				7,399.29	7,428.58	7,457.98	7,487.50	7,517.14	7,546.90	7,576.77	7,606.76	7,636.87	67,657.79	432,342.21
2019 Unknown \$500k 5% 5 years (7/1/19)	500,000.00							7,352.28	7,382.92	7,413.68	7,444.57	7,475.59	7,506.74	44,575.78	455,424.22
2019 Unknown \$500k 5% 5 years (10/1/19)	500,000.00										7,352.28	7,382.92	7,413.68	22,148.88	477,851.12
Total	11,680,431.68	829,667.13	868,880.72	828,842.48	835,523.08	867,810.78	68,637.86	72,274.98	103,333.26	72,236.17	79,850.28	110,058.43	78,938.67	4,816,053.84	6,864,377.84

Schedule 1C: Loan Payments - Interest
1/1/19 - 12/31/19

Summary of Interest Payments														
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total	
1952 Bryn Mawr Avenue, RH, LLC (\$150k, 6.0%, 10 yrs)	740.14	738.47	736.78	735.10	733.40	731.69	729.98	728.25	726.52	724.78	723.03	721.27	8,769.41	
Bridge Five Condominium Assoc (\$53k, 4.0%, 5 yrs)	56.75	53.69	50.61	47.53	44.43	41.33	38.21	35.08	31.95	28.80	25.64	22.47	476.49	
CAN-DO Greater Hazelton (\$150k, 4%, 5 yrs)	335.84	327.75	319.63	311.49	303.32	295.12	286.90	278.65	270.37	262.06	253.72	245.36	3,490.21	
Cast Iron Building	395.88	393.77	391.65	389.51	387.37	385.21	383.04	380.86	378.66	376.46	374.24	372.01	4,608.66	
Chandler Hall	1,061.80	1,057.02	1,052.21	1,047.39	1,042.53	1,037.65	1,032.75	1,027.82	1,022.86	1,017.88	1,012.87	1,007.84	12,420.62	
Cherry Hill	2,776.76	2,762.77	2,748.72	2,734.59	2,720.38	2,706.11	2,691.76	2,677.34	2,662.84	2,648.26	2,633.62	2,618.89	32,382.04	
Colonial Volkswagen, Inc. (\$36.5k, 4.0%, 5 yrs)	43.28	41.19	39.08	36.97	34.86	32.73	30.60	28.46	26.32	24.16	22.00	19.83	379.48	
Evergreen Road Associates (\$388K, 8.00%, 5.5 yrs)		250.94			63.04								313.98	
Forest City School District (\$228,397, 2%, 15 yrs)	71.62	69.29	66.96	64.62	62.28	59.93	57.58	55.23	52.87	50.51	48.14	45.78	704.81	
Forest Hills PPA, LLC (\$270,900, 5.25%, 7 yrs)	1,150.75	1,147.80	1,144.84	1,141.86	1,138.87	1,135.87	1,132.85	1,129.82	1,126.77	1,123.72	1,120.65	1,117.56	13,611.36	
Gardner's Mattress (\$9,710, 5%, 4 yrs)	36.61	35.83	35.05	34.26	33.47	32.68	31.89	31.09	30.29	29.48	28.67	27.86	387.18	
Holidaysburg Area YMCA (\$32k, 0%, 5 yrs)														
Indian Springs Sawmill (\$80,100, 4.0%, 5 yrs)	133.81	129.41	124.99	120.56	116.11	111.65	107.18	102.68	98.18	93.66	89.12	84.57	1,311.92	
JCC Metrowest	314.52	295.52	276.43	257.25	237.99	218.64	199.20	179.68	160.07	140.37	120.59	100.71	2,500.97	
J.L. Freed & Sons, Inc. (\$225K, 4.0%, 5 yrs)	22.91	16.44	9.94	3.42									52.71	
Jewish Fed. of Gr. Philadelphia (\$85k, 0%, 5 yrs)														
Jewish Home - Greater Harrisburg (\$75,430, 0%, 5 yrs)														
Juniata County School District (\$891,369, 2%, 15 yrs)	215.54	206.34	197.13	187.90	178.65	169.39	160.11	150.82	141.51	132.18	122.84	113.49	1,975.90	
Kimmel Center, Inc. (\$90k, 0%, 5 yrs)														
Kingsley Association (\$87k, 0%, 5 yrs)														
Kobernick Anchin	2,420.30	2,400.33	2,380.25	2,360.06	2,339.75	2,319.34	2,298.81	2,278.17	2,257.41	2,236.54	2,215.55	2,194.45	27,700.96	
Laura Blau & Paul Thompson (\$323,772, 5.0%, 5 yrs)	1,384.30	1,379.40	1,374.48	1,369.54	1,364.58	1,359.60	1,354.59	1,349.57	1,344.52	1,339.46	1,334.37	1,329.26	16,283.67	
Leading Age	382.70	381.08	379.46	377.83	376.19	374.55	372.89	371.22	369.55	367.86	366.17	364.47	4,483.97	
Londonderry School (\$438,458, 6.25%, 5 yrs)	1,313.69	1,307.38	1,301.04	1,294.67	1,288.27	1,281.83	1,275.35	1,268.85	1,262.31	1,255.74	1,249.13	1,242.49	15,340.75	
Maplewood Virginia, LLP	1,024.69	1,020.83	1,016.95	1,013.05	1,009.13	1,005.19	1,001.22	997.24	993.23	989.20	985.15	981.08	12,036.96	
PA Family Institute	10.54	9.97	9.40	8.83	8.25	7.67	7.10	6.52	5.93	5.35	4.76	4.17	88.49	
PA Leadership Charter School (\$134k, 4.0%, 3 yrs)	78.21	65.28	52.31	39.30	26.24	13.14							274.48	
Phalanx Associates (\$795k, 8%, 5.5 yrs)		1,882.06			1,493.08			1,096.32			691.63		5,163.09	
Pike County Library, Inc. (\$27,660, 4.0%, 5 yrs)	86.61	85.20	83.79	82.37	80.94	79.52	78.08	76.65	75.20	73.76	72.30	70.85	945.27	
Pitcairn Building	168.75	167.50	166.25	165.00	163.74	162.48	161.21	159.94	158.67	157.39	156.10	154.82	1,941.85	
Radio Road (\$365,000, 6.0%, 5.5 yrs)		909.29			706.22			499.08			287.81		2,402.40	
Richard Anzivino (\$13,465, 8.25%, 5 yrs)	7.42	5.58	3.73	2.95									19.68	
Susque-View Home, Inc. (\$90k, 0%, 5 yrs)														
TBJ, Inc.	87.14	85.16	83.16	81.16	79.15	77.14	75.12	73.09	71.06	69.02	66.97	64.92	913.09	
The Racquet Club of Philadelphia	653.08	650.38	647.67	644.94	642.19	639.43	636.66	633.87	631.07	628.25	625.41	622.56	7,655.51	
Urainus (\$1,296,722, 4%, 5 yrs)	4,204.40	4,174.65	4,144.81	4,114.86	4,084.81	4,054.67	4,024.42	3,994.07	3,963.63	3,933.08	3,902.42	3,871.67	48,467.49	
Youth Advocate Programs, Inc. (\$33,558, 0%, 5 yrs)														
Projected New Loans:														
4th Qtr. 2018														
CES Community Solar Gardens 2 (\$4.5m, 6.50%, 6 mo)	20,702.50	16,562.00	12,421.50	8,281.00	4,140.50								62,107.50	
SolarSense PA II PSU (\$1m, 4.0%, 7 yrs)	3,315.13	3,305.98	3,296.80	3,287.59	3,278.35	3,269.08	3,259.77	3,250.44	3,241.08	3,231.68	3,222.25	3,212.79	39,170.94	
Skyboom LLC (\$89,352, 6.25%, 7 yrs)	465.38	460.94	456.49	452.01	447.51	442.99	438.44	433.87	429.28	424.66	420.02	415.35	5,286.94	
Kraybill School (\$36,650, 6.25%, 7 yrs)	190.89	189.07	187.24	185.41	183.56	181.70	179.84	177.96	176.08	174.18	172.28	170.37	2,168.58	
Mutzabaugh Market (\$21,926, 4.0%, 5 yrs)	73.09	71.98	70.88	69.77	68.66	67.54	66.42	65.29	64.16	63.03	61.90	60.76	803.48	
2019 Unknown \$500k 4.75% 5 years (1/1/19)	1,979.17	1,949.88	1,920.47	1,890.95	1,861.31	1,831.56	1,801.69	1,771.69	1,741.58	1,711.35	1,681.01	1,650.54	21,791.20	
2019 Unknown \$500k 4.75% 5 years (4/1/19)				1,979.17	1,949.88	1,920.47	1,890.95	1,861.31	1,831.56	1,801.69	1,771.69	1,741.58	16,748.30	
2019 Unknown \$500k 5% 5 years (7/1/19)							2,083.33	2,052.70	2,021.94	1,991.05	1,960.03	1,928.88	12,037.93	
2019 Unknown \$500k 5% 5 years (10/1/19)								2,083.33	2,052.70	2,021.94	1,991.05	1,960.03	6,157.97	
Total	45,904.20	44,590.17	37,190.70	34,812.91	32,689.01	26,045.90	27,887.94	29,223.63	27,367.47	29,188.94	29,874.78	28,600.59	393,376.24	

**Schedule 2:
Summary of Prepaid Loan Origination Fees
1/1/19 to 12/31/19**

Account	Radio Road Associates	Richard Anzivino	Bridge Five Condo. Assoc.	Colonial Volkswagen	Indian Springs Sawmill	Stillmeadow Church	PA Leadership Charter School	Laura Blau & Paul Thompson	Phalanx Associates	Evergreen Road Associates	TBJ, Inc.	1952 Bryn Mawr Avenue RH, LLC	PA Family Institute	Cherry Hill	Chandler Hall	Pitcairn Building
Class	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI
Date Invoiced	5/9/2012	4/3/2014	6/23/2015	8/11/2015	9/14/2015	11/4/2015	6/20/2016	1/4/2017	2/16/2017	2/16/2017	5/2/2017	6/2/2017	6/16/2017	6/30/2017	6/30/2017	6/30/2017
Amount paid	\$ 3,650.00	\$ 400.00	\$ 530.00	\$ 400.00	\$ 800.00	\$ 400.00	\$ 1,340.00	\$ 3,200.00	\$ 2,365.00	\$ 810.00	\$ 400.00	\$ 1,500.00	\$ 400.00	\$ 8,721.00	\$ 3,281.00	\$ 852.00
# months	66	60	60	60	68	36	36	60	36	27	60	120	36	57	64	64
Monthly \$	\$ 55.30	\$ 6.67	\$ 8.83	\$ 6.67	\$ 11.76	\$ 11.11	\$ 37.22	\$ 53.33	\$ 65.69	\$ 30.00	\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
12/31/18 Balance	\$ -	\$ 19.81	\$ 150.31	\$ 126.53	\$ 329.60	\$ -	\$ 186.18	\$ 1,920.08	\$ 854.13	\$ 120.00	\$ 286.80	\$ 1,262.50	\$ 188.91	\$ 5,967.00	\$ 2,358.14	\$ 612.42
Jan. Accruals 1/31/19		\$ 6.67	\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.22	\$ 53.33	\$ 65.69	\$ 30.00	\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
Feb. Accruals 2/28/19		\$ 6.67	\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.22	\$ 53.33	\$ 65.69	\$ 30.00	\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
Mar. Accruals 3/31/19		\$ 6.47	\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.22	\$ 53.33	\$ 65.69	\$ 30.00	\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
April Accruals 4/30/19			\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.22	\$ 53.33	\$ 65.69	\$ 30.00	\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
May Accruals 5/31/19			\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.30	\$ 53.33	\$ 65.69		\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
June Accruals 6/30/19			\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.30	\$ 53.33	\$ 65.69		\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
July Accruals 7/31/19			\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.30	\$ 53.33	\$ 65.69		\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
Aug. Accruals 8/31/19			\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.30	\$ 53.33	\$ 65.69		\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
Sept. Accruals 9/30/19			\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.30	\$ 53.33	\$ 65.69		\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
Oct. Accruals 10/31/19			\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.30	\$ 53.33	\$ 65.69		\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
Nov. Accruals 11/30/19			\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.30	\$ 53.33	\$ 65.69		\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31
Dec. Accruals 12/31/19			\$ 8.83	\$ 6.67	\$ 11.76		\$ 37.30	\$ 53.33	\$ 65.69		\$ 6.67	\$ 12.50	\$ 11.11	\$ 153.00	\$ 51.27	\$ 13.31

2019 BUDGET:
 Actual per schedule above: \$ 47,475.18
 Anticipated New Loans*: 2,000.00 (\$2 mil x 1% = \$20,000 / 5 yrs. = \$4,000 / 2 = \$2,000)
 \$ 49,475.18

The Reinvestment Fund (TRF) / Ecosave														
Account	Maplewood Office Park	Racquet Club	Leading Age	JCC Metrowest	Cast Iron Building	Kobernick Anchin	Forest Hills PPA, LLC	Gardner's Mattress & More	CAN DO, Inc.	Pike County Public Library	Ursinus College	SolarSense PSU II	Community Energy Solar	
Class	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	Fin - PRI	
Date Invoiced	6/30/2017	6/30/2017	6/30/2017	6/30/2017	6/30/2017	6/30/2017	12/22/2017	7/10/2018	8/1/2018	8/28/2018	8/29/2018	9/25/2018	10/20/2018	
Amount paid	\$ 3,011.00	\$ 1,930.00	\$ 1,132.00	\$ 2,095.00	\$ 1,155.00	\$ 7,338.00	\$ 2,700.00	\$ 350.00	\$ 1,500.00	\$ 350.00	\$ 12,900.00	\$ 10,000.00	\$ 45,850.00	
# months	68	68	68	31	79	79	84	48	60	60	60	84	12	
Monthly \$	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05	\$ 3,821.67	
12/31/18 Balance	\$ 2,213.96	\$ 1,419.16	\$ 832.30	\$ 878.56	\$ 891.84	\$ 5,665.98	\$ 2,282.18	\$ 306.26	\$ 1,375.00	\$ 320.85	\$ 11,825.00	\$ 9,642.85	\$ 34,394.99	\$ 86,411.14
Jan. Accruals 1/31/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05	\$ 3,821.67	\$ 4,958.41
	\$ 2,169.68	\$ 1,390.78	\$ 815.85	\$ 810.98	\$ 877.22	\$ 5,573.09	\$ 2,250.04	\$ 298.97	\$ 1,350.00	\$ 315.02	\$ 11,610.00	\$ 9,523.80	\$ 30,573.32	\$ 81,452.73
Feb. Accruals 2/28/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05	\$ 3,821.67	\$ 4,958.41
	\$ 2,125.40	\$ 1,362.40	\$ 799.00	\$ 743.40	\$ 862.80	\$ 5,480.20	\$ 2,217.90	\$ 291.68	\$ 1,325.00	\$ 309.19	\$ 11,395.00	\$ 9,404.75	\$ 28,751.65	\$ 76,494.32
Mar. Accruals 3/31/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05	\$ 3,821.67	\$ 4,958.21
	\$ 2,081.12	\$ 1,334.02	\$ 782.35	\$ 675.82	\$ 847.98	\$ 5,387.31	\$ 2,185.76	\$ 284.39	\$ 1,300.00	\$ 303.38	\$ 11,180.00	\$ 9,285.70	\$ 22,929.88	\$ 71,536.11
April Accruals 4/30/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05	\$ 3,821.67	\$ 4,951.74
	\$ 2,036.84	\$ 1,305.64	\$ 765.70	\$ 608.24	\$ 833.38	\$ 5,294.42	\$ 2,153.82	\$ 277.10	\$ 1,275.00	\$ 297.53	\$ 10,965.00	\$ 9,166.65	\$ 19,108.31	\$ 66,584.37
May Accruals 5/31/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05	\$ 3,821.67	\$ 4,921.82
	\$ 1,992.56	\$ 1,277.26	\$ 749.05	\$ 540.68	\$ 818.74	\$ 5,201.53	\$ 2,121.48	\$ 269.81	\$ 1,250.00	\$ 291.70	\$ 10,750.00	\$ 9,047.60	\$ 15,286.64	\$ 61,662.55
June Accruals 6/30/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05	\$ 3,821.67	\$ 4,884.52
	\$ 1,948.28	\$ 1,248.88	\$ 732.40	\$ 473.08	\$ 804.12	\$ 5,108.64	\$ 2,089.34	\$ 262.52	\$ 1,225.00	\$ 285.87	\$ 10,535.00	\$ 8,928.55	\$ 11,464.97	\$ 56,778.03
July Accruals 7/31/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05	\$ 3,821.67	\$ 4,884.52
	\$ 1,904.00	\$ 1,220.50	\$ 715.75	\$ 405.50	\$ 789.50	\$ 5,015.75	\$ 2,057.20	\$ 255.23	\$ 1,200.00	\$ 280.04	\$ 10,320.00	\$ 8,809.50	\$ 7,643.30	\$ 51,893.51
Aug. Accruals 8/31/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05	\$ 3,821.67	\$ 4,884.52
	\$ 1,859.72	\$ 1,192.12	\$ 699.10	\$ 337.92	\$ 774.88	\$ 4,922.86	\$ 2,025.06	\$ 247.94	\$ 1,175.00	\$ 274.21	\$ 10,105.00	\$ 8,690.45	\$ 3,821.63	\$ 47,008.99
Sept. Accruals 9/30/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05	\$ 3,821.63	\$ 4,884.48
	\$ 1,815.44	\$ 1,163.74	\$ 682.45	\$ 270.34	\$ 760.26	\$ 4,829.97	\$ 1,992.92	\$ 240.65	\$ 1,150.00	\$ 268.38	\$ 9,890.00	\$ 8,571.40	\$ 0.00	\$ 42,124.51
Oct. Accruals 10/31/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05		\$ 1,062.85
	\$ 1,771.16	\$ 1,135.36	\$ 665.80	\$ 202.78	\$ 745.64	\$ 4,737.08	\$ 1,960.78	\$ 233.36	\$ 1,125.00	\$ 262.55	\$ 9,675.00	\$ 8,452.35		\$ 41,061.66
Nov. Accruals 11/30/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05		\$ 1,062.85
	\$ 1,726.88	\$ 1,106.98	\$ 649.15	\$ 135.18	\$ 731.02	\$ 4,644.19	\$ 1,928.64	\$ 226.07	\$ 1,100.00	\$ 256.72	\$ 9,460.00	\$ 8,333.30		\$ 39,998.81
Dec. Accruals 12/31/19	\$ 44.28	\$ 28.38	\$ 16.65	\$ 67.58	\$ 14.62	\$ 92.89	\$ 32.14	\$ 7.29	\$ 25.00	\$ 5.83	\$ 215.00	\$ 119.05		\$ 1,062.85
	\$ 1,682.60	\$ 1,078.60	\$ 632.50	\$ 67.60	\$ 716.40	\$ 4,551.30	\$ 1,896.50	\$ 218.78	\$ 1,075.00	\$ 250.89	\$ 9,245.00	\$ 8,214.25		\$ 38,935.96

Schedule 3: Summary of Operational Income & Expenses

Budget 2019

	Budget 2019	Annualized 2018	Budget 2018	
Income				
Donation Income	\$ 18,000	\$ 18,000	\$ 18,000	Donation of Salesforce Licenses
Interest Income	\$ 25	\$ 100	\$ 25	Interest earned decreased significantly by monitoring bank balance and keeping total of all accounts less than FDIC insurable limit of \$250k - averaging approx. \$2/month
Expenses				
Dues/Membership/Pub	\$ 10,500	\$ 10,500	\$ 10,500	Subscriptions & Memberships to Chambers, Organizations & Associations, Credit Bureaus
Insurance	\$ 9,949	\$ 9,376	\$ 5,232	Assumption: Same premium payments as prior year - D&O w/ Empl Pract (\$3,526) Crime (\$569) Umbrella (\$1,750) Builders Risk (\$3,799) & Commercial Package (\$325)
Office Supplies	\$ 32,000	\$ 26,000	\$ 32,000	Based on historical spending and adding \$18k software donation
Auditing/Tax	\$ 14,325	\$ 10,525	\$ 10,525	Per Engagement Letter for 12/31/18 YE - Audit is \$13,600 and 990 is \$725
Consulting	\$ 10,100	\$ 500	\$ 20,100	Quarterly Compilations (\$2,100), Compensation Analysis (\$5,000), Miscellaneous (\$3,000)
Legal - General	\$ 15,000	\$ 13,000	\$ 8,000	Based on historical spending & anticipated legal fees for net zero building
Financial/System Control	\$ 3,000	\$ 3,000	\$ 3,000	Annual Review, Administration and Compliance Services for 401(k) Plan including \$1,500 annual base fee + \$30 per participant fee
Printing/Postage	\$ 5,500	\$ 5,500	\$ 5,500	Based on historical spending
Telephone	\$ 15,000	\$ 13,500	\$ 15,000	\$1,050/mo RCN phone & cable modem; 3 cell phones @ \$50/mo; conference calls
MIS Support/Web Hosting	\$ 40,000	\$ 21,000	\$ 37,000	\$17k annual contracts for IT Support, \$10k Salesforce software consulting, \$13k misc. & software upgrades required to move to cloud-based servers

Schedule 4: Summary of Financial & Educational Services Expenses

Budget 2019

Based on 2019 Operational Plan

Financial Services

	Budget 2019	Annualized 2018	Budget 2018
Income			
Donation Income	-	-	-
Nonprofit Energy Savings Agreements	160,133	157,217	157,632
Renewable Energy Generation PPAs	-	-	-
Alternative Compliance Payment	-	-	10,000
Other Services	-	-	-
Expenses			
ESP Events Expenses	22,000	12,176	22,000
Due Diligence	5,000	2,000	5,000
Legal - PRI/Contracts	20,000	21,000	10,000
Non Profit Energy Makeover	-	46,000	50,000
Solarize Campaign	-	80,000	80,000
C-PACE Expense	60,000	80,000	-
NESA Services & Expense	25,000	-	25,000
Telephone	1,620	1,516	1,300
Marketing Research	-	-	-

Educational Services

	Budget 2019	Annualized 2018	Budget 2018
Expenses			
Workshop Expense	8,000	-	8,000
Regulatory	-	400	-
Default Services	-	400	-
Rate Increase	15,000	-	15,000
TOU	15,000	5,200	15,000
EE&C	5,000	2,000	5,000
Unknown	7,500	400	7,500
Energypath 2019			
Income			
Participants	8,000	9,051	8,000
Sponsors	19,000	18,050	19,000
Exhibitors	1,700	2,862	1,700
Grant Income	8,000	5,000	8,000
Misc. Income	-	135	-
Expenses			
Room & Board (Campers)	37,000	40,219	37,000
Conference Rooms & Facilities	6,000	3,085	6,000
Speakers & Trainers	20,000	15,348	20,000
Materials	1,500	2,231	1,500
Dinner	6,000	7,184	6,000
Science Fair / Awards	5,350	5,547	5,350
Supplies	1,500	1,215	1,500
Miscellaneous	2,500	3,048	2,500

Schedule 5: Summary of Occupancy Expenses

Budget 2019

Split	21%	49%	30%	100%	
	Operations	Financial Services	Educational Services	Total	
Rent	13,137	35,844	18,767	67,748	(Jan - April): Schnecksville: \$5,109/month = \$20,436. Harrisburg (Finance Only): \$424/month = \$1,696 (May - Dec): Assume 3% increase for lease extensions
Cleaning	1,092	2,548	1,560	5,200	Assumption: same rate as prior year - \$100/week = \$5,200
Utilities	1,260	2,940	1,800	6,000	Estimate \$6,000 for 2019
Moving Expense	2,100	4,900	3,000	10,000	Estimate \$10,000 for 2019 office move
Building Maintenance	302	706	432	1,440	Lawn mowing - \$120/month
Records Management	378	882	540	1,800	Estimate \$1,800 (\$300/month for 6 months of 2019)
Property Taxes	1,680	3,920	2,400	8,000	\$7,510 paid in 2018 (combined school, county & township), estimate \$8,000 for 2019
Property Insurance	1,148	2,679	1,640	5,468	\$5,092 paid August 2018 - \$424/month (Jan - July 2019) + estimate \$500/month (Aug - Dec 2019) = \$5,468
Total	21,097	54,419	30,139	105,656	

Schedule 6: Salary and Fringe Computation

Presented to and approved by the HR Committee.

Schedule 7: Summary of Board Expenses

Budget 2019

DIVISION	EDUCATIONAL SERVICES	FINANCIAL SERVICES	OPERATIONS				SEF TOTAL
	HR Committee	PRI Committee	Finance Committee	Board	Planning	Board Misc. Exp	
# of anticipated meetings	4	4	4	4	2	2	20
Recruiting	-	-	-	-	-	7,000	7,000
Cost per meeting (\$150 for Board)	\$ 100 400	400	400	600	-	200	1,200
Reimbursable expenses	\$ 100 400	400	400	400	200	200	1,200
Board Miscellaneous	-	-	-	-	-	-	-
Total cost per meeting	800	800					9,400
							11,000

Schedule 8: Summary of Joint Costs
Budget 2019

		Budget 2019	Annualized 2018	Budget 2018	
Marketing	Operational	25,000	25,000	25,000	Based on 2019 Operational Plan
	Financial	50,000	50,000	50,000	Based on 2019 Operational Plan
	Educational	30,000	30,000	30,000	Based on 2019 Operational Plan
		<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	
Travel	Operational	12,600	10,000	12,600	Based on anticipated travel for 2019
	Financial	40,000	23,000	23,100	Based on anticipated travel for 2019
	Educational	18,000	3,000	18,000	Based on anticipated travel for 2019
		<u>70,600</u>	<u>36,000</u>	<u>53,700</u>	
Miscellaneous	Operational	1,500	750	1,500	Based on historical spending
	Financial	500	-	500	Based on historical spending
	Educational	1,000	800	1,000	Based on historical spending
		<u>3,000</u>	<u>1,550</u>	<u>3,000</u>	
Training & Registrations	Operational	6,540	4,500	7,500	Based on approved Salaries & Fringe Computation
	Financial	16,155	12,500	9,500	Based on approved Salaries & Fringe Computation
	Educational	5,305	1,000	3,500	Based on approved Salaries & Fringe Computation
		<u>28,000</u>	<u>18,000</u>	<u>20,500</u>	

**Schedule 9: Summary of Endowment Account
Year Ending December 31, 2019**

Berkshire

12/31/18 Balance Estimate \$ 8,901,272

Account Activity

Additions:

Interest	24,478
Dividends	17,803
Unrealized Gain	50,070
PRI Loan balloon payments	2,293,200
Excess Cash Transfers from Checking	50,000

Subtractions:

Fees	(10,236)
Withdraws PRI (Loans & NESAs)	(501,250)
Construction Costs for Net Zero Bldg.	(500,000)
Withdraws for Operating needs	(50,000)

3/31/18 Balance \$ 10,275,336

Account Activity

Additions:

Interest	28,257
Dividends	20,551
Unrealized Gain	57,799
PRI Loan balloon payments	1,528,800
Excess Cash Transfers from Checking	50,000

Subtractions:

Fees	(11,817)
Withdraws PRI (Loans & NESAs)	(501,250)
Construction Costs for Net Zero Bldg.	(1,500,000)
Withdraws for Operating needs	(50,000)

6/30/18 Balance \$ 9,897,676

Account Activity

Additions:

Interest	27,219
Dividends	19,795
Unrealized Gain	55,674
PRI Loan balloon payments	-
Excess Cash Transfers from Checking	50,000

Subtractions:

Fees	(11,382)
Withdraws PRI (Loans & NESAs)	(501,250)
Construction Costs for Net Zero Bldg.	(1,500,000)
Withdraws for Operating needs	(50,000)

9/30/18 Balance \$ 7,987,732

Account Activity

Additions:

Interest	21,966
Dividends	15,975
Unrealized Gain	44,931
PRI Loan balloon payments	-
Excess Cash Transfers from Checking	50,000

Subtractions:

Fees	(9,186)
Withdraws PRI (Loans & NESAs)	(501,250)
Construction Costs for Net Zero Bldg.	(1,500,000)
Withdraws for Operating needs	(50,000)

12/31/19 Balance \$ 6,060,169

Fixed percentage	50%	Interest Rate Percentage	2.2%
Equity Percentage	50%	Dividend Rate Percentage	1.6%
		Unrealized Gain Percentage	4.5%

Recap:			
Total Interest	\$ 101,921	Withdraws - Loans	\$ (2,000,000)
Total Dividends	\$ 74,124	Withdraws - NESAs Equipment	\$ (5,000)
Total Unrealized Gain	\$ 208,474	Withdraws - PRI (Loans & NESAs)	\$ (2,005,000)
Total Fees	\$ (42,621)	Withdraws - Operating needs	\$ (200,000)
		Additions - PRI loan balloon payments	\$ 3,822,000
		Construction Costs for Net Zero Building	\$ (5,000,000)
		Excess Cash Transfers from Checking	\$ 200,000

**Schedule 10: Summary of Loan Loss Reserve/Allowance for Doubtful Accounts
Budget 2019**

Loan Loss Reserve as of September 30, 2018				<u>\$ 193,423</u>
Less (Current Loans):				
Oct - Dec 2018 Principal Payments at 2.5%	\$ (164,800)	2.5%	\$ (4,120)	
Oct - Dec 2018 Principal Payments at 5.0%	\$ (791)	5.0%	\$ (40)	
Oct - Dec 2018 Principal Payments at 7.5%	<u>\$ (11,054)</u>	7.5%	<u>\$ (829)</u>	
	\$ (176,645)			
Add:				
Principal Balance at 12/31/18 of loans beginning Oct - Dec 2018	\$ 1,142,465	7.5%	\$ 85,685	
CES Community Solar Gardens	<u>\$ 3,822,000</u>	2.5%	<u>\$ 95,550</u>	
	\$ 4,964,465			
Estimated Loan Loss Reserve as of Dec. 31, 2018				<u>\$ 369,669</u>

2018 Annualized Loan Loss Reserve/Allowance

Loan Loss as of December 31, 2017	\$ 372,146
Estimated Loan Loss Reserve as of December 31, 2018	<u>\$ 369,669</u>
Change in Loan Loss Reserve for Y/E 12/31/18	<u>\$ 2,477</u>

2019 Loan Loss Reserve/Allowance

Estimated Loan Loss Reserve as of December 31, 2018				<u>\$ 369,669</u>
New Loans Y/E 12/31/19	\$ 2,000,000	7.5%	\$ 150,000	
Repayment of Principal	<u>\$ (4,816,054)</u>	2.5%	<u>\$ (120,401)</u>	
Estimated Loan Loss Reserve as of December 31, 2019				<u>\$ 399,268</u>
Change in Loan Loss Reserve for YE 12/31/19				<u>\$ 29,599</u>

Schedule 11: Equipment List**2019 Budget**

Equipment SEF Website	Cost to rebuild website and integrate with Salesforce	\$ 60,000
NESA Equipment	Estimated purchases for 2019	<u>\$ 5,000</u>
	Total	<u><u>\$ 65,000</u></u>

Schedule 12: Depreciation
2019 Budget

NESA Equipment	
Purchased to Date	
Jewish Family Service of the LV	\$ 36,544
Pocono Services for Family & Children	\$ 36,507
Allentown Central Catholic High School	\$ 287,561
Pleasant Valley Manor	\$ 979,533
Holy Guardian Angels School	\$ 168,120
	<u>\$ 1,508,265</u>
NESA Equipment total as of 12/31/18	\$ 1,508,265

Equipment to be purchased 2019:			
Software - rebuild website & integrate Salesforce	\$ 60,000	Amortized over 3 years	\$ 20,000
NESA Equipment	\$ 5,000	Amortized over 5 years	\$ 1,000
		Depreciation - Fixed Asset Additions	\$ 21,000

Depreciation Expense - 2019			TOTAL
NESA Equipment		\$ 1,000	
Equipment - Other		\$ 20,000	
Projected 2019 Depreciation Expense per accountant schedule (not including NESA Depreciation)		\$ 13,222	
		<u>\$ 33,222</u>	
Allocation of NESA Depreciation		Allocation of Depreciation - Other:	
Operations	\$ -	Operations	\$ 6,977
Financial Services	\$ 128,060	Financial Services	\$ 16,279
Educational Services	\$ -	Educational Services	\$ 9,967
	\$ 128,060		\$ 33,223
			<u>\$ 161,283</u>



**Finance Committee Minutes
Sustainable Energy Fund
November 5, 2018
10:00 A.M.
4110 Independence Drive, Suite 100
Schnecksville, PA 18078**

Present:

Robert Thomson, Board Chairman (Phone)
William DeFalco, Committee Chairman (Phone)
Jocelyn Cramer (Phone)
Larry Eighmy (Phone)

Also Present:

John Costlow, President

Call to Order

Mr. DeFalco called the meeting to order.

Approval of Minutes

July 16, 2018 Meeting Minutes

A motion (Eighmy, Cramer)

RESOLVED to approve the July 16, 2018 Finance Committee meeting minutes as presented.

Passed by voice vote (3-0-1). Mr. Thomson abstained.

Standard Financial Reports

Executive Summary

Mr. Costlow reviewed the Executive Summary.

Key Points included:

- Revenue has exceeded budget
- Cost of goods sold is below budget
- Staff expenses are below budget
- Operating expenses are approximately \$90,000 below budget
- Net Income \$156,000 better than budgeted
- Endowment/Inv. Gain of \$235,000
- Loan loss reserve of \$214,000
- The stock market performance was poor during the month of October

Balance Sheet

Mr. Costlow reviewed the Balance Sheet.

Key Points included:

- Total Endowment Investments decreased from \$13,914,929 in September of 2018 to \$8,904,999 in November of 2018.
- Total Program Related Investments increased from \$5,426,126 in September of 2018 to \$9,946,972 in November of 2018.

Mr. Costlow made note that SEF disbursed a loan for approximately \$4.5 million to Community Energy on November 1, 2018. The Community Energy loan decreased SEF's Berkshire managed deposits from \$13 million to \$9 million, and increased our program loans \$4.7 million to \$9.2 million.

Mr. Costlow reviewed the charts for the Balance Sheet and P&L. There was a .56% interest in PRI's.

Consolidated P&L

Mr. Costlow reviewed the Profit and Loss statements for the quarter ending on 9/30/2018.

Key Points included:

- Our budget was a loss of \$625,000 and we made \$84
- Travel is under budget but expected to be slightly over budget for the year due to C-PACE

Discussion ensued about loans. Mr. Costlow stated the income of the new building would be considered program related revenue and not interest. Mr. Costlow recommended SEF look at using fixed instruments and bonds in the portfolio to pay for the building and reapportion fixed to equity ratio.

Monthly Loan Tracking Summary

Mr. Costlow reviewed the Month Loan Tracking Summary. Richard Anzivino has been making late payments on a recurring basis. His loan ends April 2019 of next year and has a balance of \$1,800. The exposure from Mr. Anzivino is minimal.

Daily Cash Balance

Mr. Costlow reviewed the Daily Cash Balance. SEF went over \$250 thousand in the bank account several times, due to the transfers from Community Energy and attempts to minimize wire transfer fees when transaction occurred with a few days of each other. The committee felt American Bank is strong and the balance issues did not present a problem.

Time Weighted Return

Mr. Costlow reviewed the Weighted Return. Mr. Costlow stated that there was a loss of \$350,000 in October.

For the quarter ending September 30, 2018 key points included:

- SEF is up 3% on the portfolio
- SEF is up 8% in blended equities
- SEF is up .56% in fixed income

Investment Income Ratio

Mr. Costlow reviewed the Investment Income Ratio. At the conclusion of 2018, the last year exceeding 33.33% will drop off the five-year average. Mr. Costlow recommended modifying the portfolio after conclusion of year end to increase interest and dividends. Discussion ensued. This will be a topic for the February Committee meeting with Mr. Weaver from Berkshire.

Sustainable Energy Systems

Mr. Costlow presented the SES Balance Sheet and Income Statement.

Green Connexions

Mr. Costlow presented the GC Balance Sheet and Income Statement.

New Business

2019 Budget

Mr. Costlow reviewed the Operational Plan and 2019 Budget. Discussion ensued about the starting of the new website redevelopment.

Key points included:

- Business revenue is slightly above budget from 2018
- Business revenue annualized is slightly below 2018 due to being conservative on income from the Community Energy loan
- Cost of Goods Sold is slightly above
- Cost of Occupancy is factoring in moving into the new building
- Administrative expenses are stable from where they were in 2018, and approximately \$4,000 above where SEF expects to finish for 2018
- Non-Operating Income decreased to \$890,000
- Budget includes a loss of \$1.1 million for 2019

Discussion ensued regarding Energypath. Mr. Costlow noted the current financial path is unsustainable unless the stock market returns are above expectations. Mr. DeFalco talked about cutting educational expenses and figuring out how to gain revenue. It was noted that this discussion would continue at the Board meeting.

2019 Balance Sheet & Cash Flow Forecast with Building

Mr. Costlow reviewed the Balance Sheet & Cash Flow Forecast with Building. The endowment balance would be \$6 million with the building. The fixed assets would go from \$2.5 million to \$7.5 million with the building by December 31, 2019.

2019 Balance Sheet & Cash Flow Forecast without Building

Mr. Costlow reviewed the Balance Sheet & Cash Flow Forecast without Building. The endowment balance would be \$11 million without the building. The fixed assets would go from \$2.4 million to \$2.5 million without the building by December 31, 2019.

A motion (Eighmy, Cramer)

RESOLVED to approve a draft budget as presented with structural imbalance and modification to be considered at the Board meeting.

Passed by voice vote (3-0-1). Mr. Thomson abstained.

Meeting adjourned.

Action Items:

- 1) Budget discussion at Board meeting

NOT YET APPROVED

Executive Summary

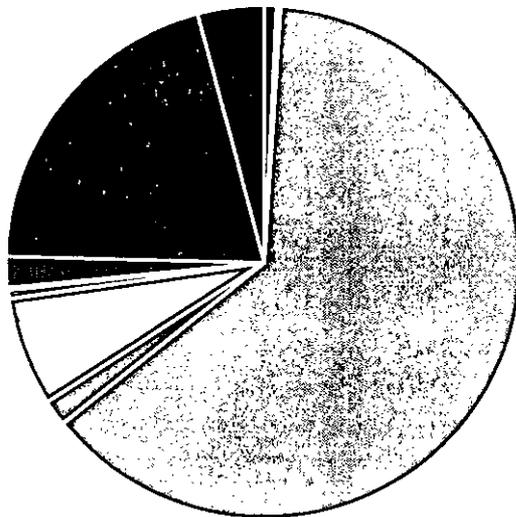
9/30/2018

7/1/18 - 9/30/18	SEF Consolidated		Operations		Financial Services		Educational Services	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Income	187	158	-	-	152	122	35	36
CGS	(78)	(80)	-	-	-	-	(78)	(80)
Staff	(201)	(202)	(45)	(48)	(105)	(123)	(51)	(31)
Occupancy	(21)	(25)	(4)	(5)	(11)	(13)	(6)	(7)
Depreciation	(33)	(34)	(1)	(2)	(30)	(30)	(2)	(2)
Operating	<u>(64)</u>	<u>(124)</u>	<u>(22)</u>	<u>(39)</u>	<u>(36)</u>	<u>(61)</u>	<u>(6)</u>	<u>(24)</u>
Operating Net Income	(210)	(307)	(72)	(94)	(30)	(105)	(108)	(108)
Endowment/Inv. Gain	215	104	215	104	-	-	-	-
Other (Grant & Loan Loss)	<u>(10)</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>(10)</u>	<u>20</u>	<u>-</u>	<u>-</u>
Net Income	<u>(5)</u>	<u>(183)</u>	<u>143</u>	<u>10</u>	<u>(40)</u>	<u>(85)</u>	<u>(108)</u>	<u>(108)</u>

YTD 1/1/18 - 9/30/18	SEF Consolidated		Operations		Financial Services		Educational Services	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Income	557	517	18	18	504	463	35	36
CGS	(78)	(80)	-	-	-	-	(78)	(80)
Staff	(585)	(606)	(169)	(144)	(315)	(368)	(101)	(94)
Occupancy	(65)	(66)	(12)	(13)	(34)	(34)	(19)	(19)
Depreciation	(100)	(103)	(4)	(5)	(90)	(91)	(6)	(7)
Operating	<u>(328)</u>	<u>(418)</u>	<u>(119)</u>	<u>(155)</u>	<u>(173)</u>	<u>(191)</u>	<u>(36)</u>	<u>(72)</u>
Operating Net Income	(599)	(756)	(286)	(299)	(108)	(221)	(205)	(236)
Endowment/Inv. Gain	235	256	235	256	-	-	-	-
Other (Grant & Loan Loss)	<u>214</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>214</u>	<u>20</u>	<u>-</u>	<u>-</u>
Net Income	<u>(150)</u>	<u>(480)</u>	<u>(51)</u>	<u>(43)</u>	<u>106</u>	<u>(201)</u>	<u>(205)</u>	<u>(236)</u>

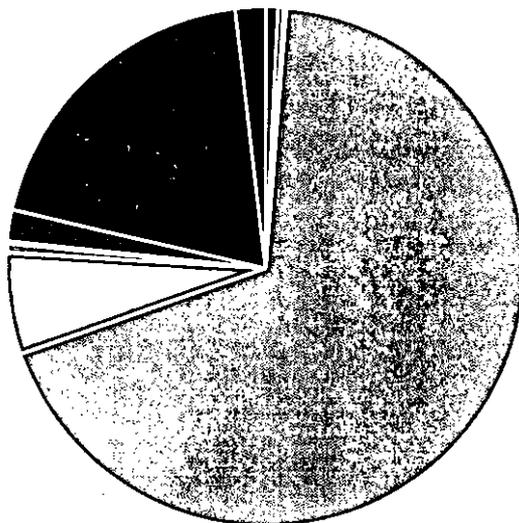
Sustainable Energy Fund, Inc.				
Balance Sheet				
As of September 30, 2018				
		September 30, 2018		September 30, 2017
ASSETS				
Current Assets				
Cash		167,315		170,904
Accounts Receivable				
	Program Loans	(16,907)		(3,054)
	Instant Rebates	218,003		285,898
	Grants Receivable	-		5,200
	Allowance for Doubtful Accounts	(187,000)		(209,000)
	Total Accounts Receivable	14,096		79,044
Inventory		1,377		1,495
Other Current Assets				
Prepaid Expense		39,253		30,189
Accrued Interest Income		-		-
Endowment Investments				
	Berkshire Managed Deposits	13,680,137		5,435,067
	Berkshire Income (Gains/Losses)YTD	234,792		9,644,799
	Total Endowment Investments	13,914,929		15,079,866
Intercompany				
	Due to/ from SES	-		120
	Due to/from GC	-		-
	Total Intercompany	-		120
	Total Current Assets	14,136,970		15,361,618
Other Assets				
Program Related Investments				
	Program Loans	4,702,549		4,553,208
	Loan Loss Allowance	(193,423)		(237,970)
	Equity Investments	917,000		417,000
	Total Program Related Investments	5,426,126		4,732,238
Fixed Assets				
	Land	423,531		423,531
	Net Zero Building	359,423		-
	Equipment	129,195		130,232
	Equipment - NESA	1,508,265		1,398,825
	Furniture	23,508		27,514
	Accumulated Depreciation	(272,204)		(164,314)
	Total Fixed Assets	2,171,718		1,815,788
	Total Assets	\$ 21,734,814		\$ 21,909,644
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Current Liabilities				
Accounts Payable		33,429		7,848
Accrued Payroll and Benefits		29,101		26,453
Instant Rebates Liability		14,028		18,034
Deferred Revenue		-		-
	Total Current Liabilities	76,558		52,335
Long Term Liabilities				
Prepaid Processing Fees		55,216		39,514
Prepaid ESA Income		330,209		332,500
	Total Long Term Liabilities	385,425		372,014
	Total Liabilities	461,983		424,349
FUND BALANCE				
Fund Balance Beginning of Year		21,423,064		21,424,347
Current Year Activity		(150,233)		60,948
	Ending Fund Balance	21,272,831		21,485,295
	TOTAL LIABILITIES AND FUND BALANCE	\$ 21,734,814		\$ 21,909,644

September 2018 Assets



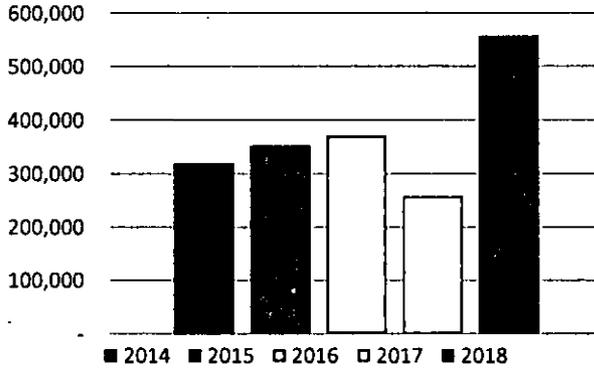
- Cash
- Accounts Receivable
- Inventory
- Prepaid Expense
- Endowment Investments
- Net Zero Building
- Equipment - NESA
- Equipment
- Furniture
- Land
- Program Loans / Other
- Equity Investments

September 2017 Assets

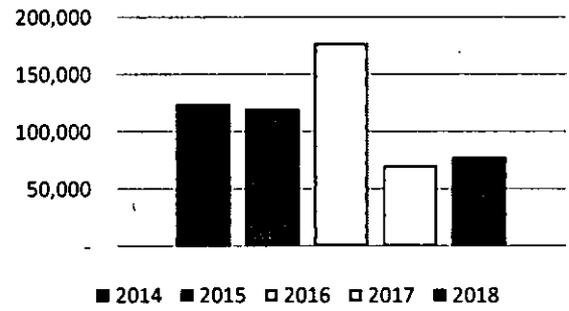


- Cash
- Accounts Receivable
- Inventory
- Prepaid Expense
- Endowment Investments
- Net Zero Building
- Equipment - NESA
- Equipment
- Furniture
- Land
- Program Loans / Other
- Equity Investments

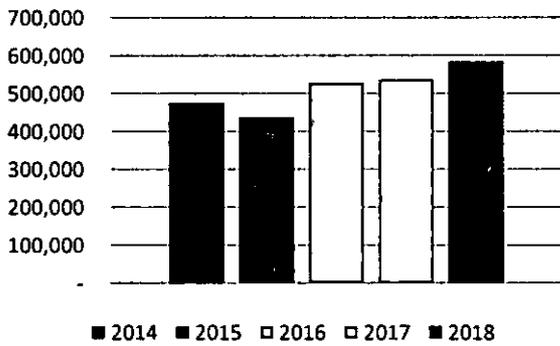
Income - January through Sept.



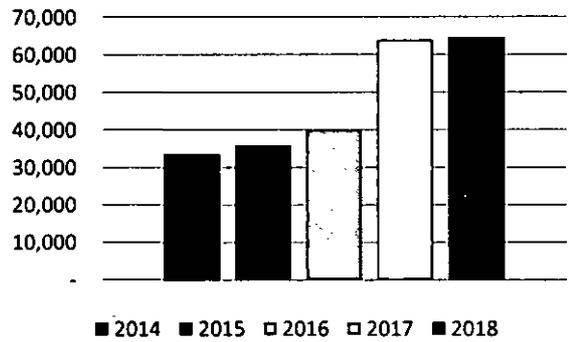
Cost of Goods Sold - January through September



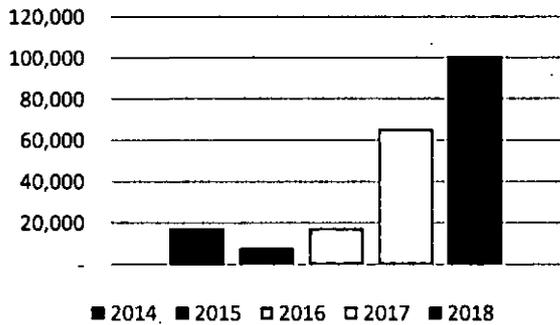
Staff Expense - January through September



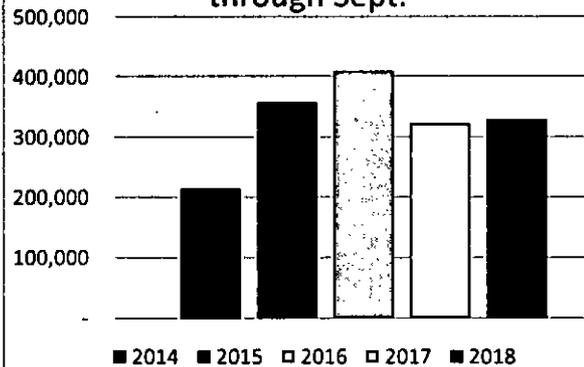
Occupancy - January through September



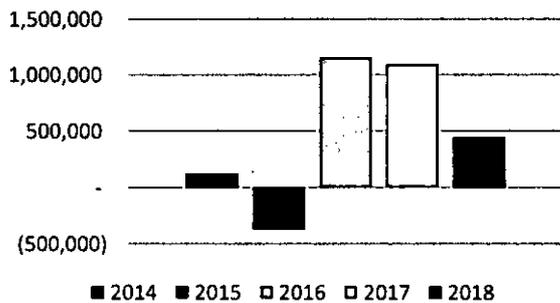
Depreciation - January through September



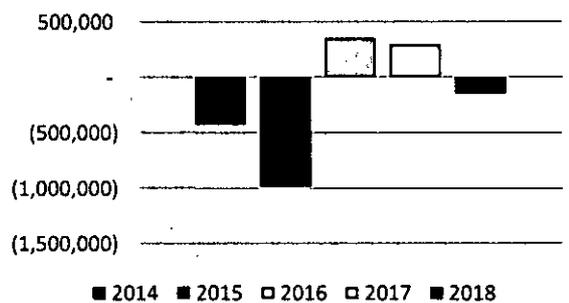
Operating Expense - January through Sept.



Other Income and Expense - January through September



Net Income - January through September



SUSTAINABLE ENERGY FUND, INC.
Profit & Loss - CONSOLIDATED
For the Quarter Ended September 30, 2018

10/29/18

	Jul - Sep 18	Budget	\$ Over Budget	% of Budget	Jan - Sep 18	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense									
Income									
Donation Income					18,000.00	18,000.00		100.0%	18,000.00
PPA Income									
NESA Income	40,033.26	39,408.00	625.26	101.6%	117,184.83	118,224.00	-1,039.17	99.1%	157,632.00
Processing Fees	13,020.57	12,945.12	75.45	100.6%	40,042.36	38,850.75	1,191.61	103.1%	51,774.00
Interest Income Money Market	71.91	6.25	65.66	1,150.6%	84.54	18.75	65.79	450.9% ¹	25.00
Interest Income - Program Loans	87,631.54	69,369.65	18,261.89	126.3%	336,321.20	295,650.61	40,670.59	113.8%	366,733.95
SEC Program	135.00				135.00				
Participant fees	9,051.48	8,000.00	1,051.48	113.1%	9,051.48	8,000.00	1,051.48	113.1%	8,000.00
Exhibitor fees	2,862.00	1,700.00	1,162.00	168.4%	2,862.00	1,700.00	1,162.00	168.4% ²	1,700.00
Sponsor fees	18,050.00	19,000.00	-950.00	95.0%	18,050.00	19,000.00	-950.00	95.0%	19,000.00
Grant Revenue	5,000.00	8,000.00	-3,000.00	62.5%	5,000.00	8,000.00	-3,000.00	62.5% ³	8,000.00
Miscellaneous Income	11,006.52		11,006.52	100.0%	11,006.52	10,000.00	1,006.52	110.1%	10,000.00
Total Income	186,862.28	158,429.02	28,433.26	117.9%	557,737.93	517,444.11	40,293.82	107.8%	640,864.95
Cost of Goods Sold									
SEC	77,877.30	79,850.00	-1,972.70	97.5%	77,877.30	79,850.00	-1,972.70	97.5%	79,850.00
Total COGS	77,877.30	79,850.00	-1,972.70	97.5%	77,877.30	79,850.00	-1,972.70	97.5%	79,850.00
Gross Profit	108,984.98	78,579.02	30,405.96	138.7%	479,860.63	437,594.11	42,266.52	109.7%	561,014.95
Expense									
Building maintenance	506.00				506.00				
Taxes	2,161.37	6,000.00	-3,838.63	36.0%	5,206.96	6,000.00	-793.04	86.8%	6,000.00
NESA Expenses		6,250.00	-6,250.00			18,750.00	-18,750.00		25,000.00
Salaries & Wages, SES	-55.21				-110.42				
Salaries & Wages, GC	-52.93				-52.93				
Sustainable Energy Workshops		2,000.00	-2,000.00			2,000.00	-2,000.00		8,000.00
Salaries and Wages	147,459.98	148,860.01	-1,400.03	99.1%	425,746.31	446,580.03	-20,833.72	95.3% ⁴	585,440.00
Fringe Benefits	32,941.15	33,357.50	-416.35	98.8%	93,482.06	100,072.50	-6,590.44	93.4%	133,430.00
Payroll Expense	450.42	450.00	0.42	100.1%	1,527.67	1,550.00	-22.33	98.6%	2,000.00
Payroll Taxes	13,109.08	12,442.49	666.59	105.4%	45,075.37	37,327.47	7,747.90	120.8%	49,770.00
Performance Incentives									16,321.00
Contract Mngrs./Temp Manpower		750.00	-750.00			2,250.00	-2,250.00		3,000.00
Recruiting & Relocation	521.91	875.00	-353.09	59.6%	4,311.94	2,625.00	1,686.94	164.3%	3,500.00
Training & Registrations	7,145.48	5,125.01	2,020.47	139.4%	15,059.82	15,375.03	-315.21	97.9%	20,500.00
OCCUPANCY									
Rent	16,726.35	19,099.01	-2,372.66	87.6%	55,819.86	57,249.03	-1,429.17	97.5%	76,348.00
Occupancy SES	-2.68				-5.36				
Occupancy GC	-2.68				-2.68				
Insurance, property	1,165.29	1,045.00	120.29	111.5%	3,065.31	3,135.00	-69.69	97.8%	4,180.00
Depreciation Expense	33,615.27	34,448.99	-833.72	97.6%	100,845.81	103,346.97	-2,501.16	97.6%	137,796.00
Directors' Reimbursed Expenses		400.00	-400.00			1,500.00	-1,500.00		2,000.00
Board Meeting Expenses		400.00	-400.00			1,500.00	-1,203.05	19.8% ⁵	2,000.00
Board Expense	136.40		136.40	100.0%	210.60		210.60	100.0%	
Director Recruitment	2,992.37	1,750.00	1,242.37	171.0%	2,992.37	5,250.00	-2,257.63	57.0% ⁶	7,000.00
Interest Expense									
Dues/Memberships/Subscriptions	1,407.00	2,625.00	-1,218.00	53.6%	8,955.00	7,875.00	1,080.00	113.7%	10,500.00
Marketing	19,188.21	26,250.00	-7,061.79	73.1%	73,274.31	78,750.00	-5,475.69	93.0%	105,000.00
Special Programs & Events	12,747.50	32,000.00	-19,252.50	39.8%	85,622.59	82,000.00	3,622.59	104.4%	130,000.00
ESP Event					12,176.41	22,000.00	-9,823.59	55.3% ⁷	22,000.00
Auditing					10,525.00	10,525.00		100.0%	10,525.00
Consulting		5,025.00	-5,025.00			15,075.00	-15,075.00		20,100.00
Legal - Regulatory	1,810.30	9,375.00	-7,564.70	19.3%	8,345.56	33,125.00	-24,779.44	25.2% ⁸	42,500.00
Legal - PRI	3,950.92	2,500.00	1,450.92	158.0%	19,666.15	7,500.00	12,166.15	262.2% ¹⁰	10,000.00
Legal - General		2,000.00	-2,000.00		8,551.70	6,000.00	2,551.70	142.5% ¹¹	8,000.00
Dua Diligence	30.14	1,250.00	-1,219.86	2.4%	1,263.21	3,750.00	-2,486.79	33.7%	5,000.00
Financial/System Control		750.00	-750.00		2,423.75	2,250.00	173.75	107.7%	3,000.00
Printing/Postage	1,036.75	1,375.00	-338.25	75.4%	5,050.15	4,125.00	925.15	122.4%	5,500.00
Telephone	3,919.02	3,749.99	169.03	104.5%	10,756.24	11,249.97	-493.73	95.6%	15,000.00
Travel	9,666.16	13,425.00	-3,758.84	72.0%	28,636.69	40,275.00	-11,638.31	71.1% ¹²	53,700.00
MIS Support/Web Hosting	2,725.76	7,112.70	-4,386.94	38.3%	17,846.84	29,887.30	-12,040.46	59.7% ¹³	37,000.00
Office Supplies & Expense	1,549.05	3,400.00	-1,850.95	45.6%	23,202.24	28,400.00	-5,197.76	81.7% ¹⁴	32,000.00
Insurance-Business, D&O, etc	2,520.71	1,308.00	1,212.71	192.7%	6,873.79	3,924.00	2,949.79	175.2%	5,232.00
Miscellaneous	149.88	750.00	-600.12	20.0%	1,704.25	2,250.00	-545.75	75.7%	3,000.00
Total Expense	319,518.97	386,148.70	-66,629.73	82.7%	1,078,849.52	1,193,472.30	-114,622.78	90.4%	1,610,342.00
Net Ordinary Income	-210,533.99	-307,569.68	97,035.69	68.5%	-598,988.89	-755,878.19	156,889.30	79.2%	-1,049,327.05
Other Income/Expense									
Other Income									
Berkshire Dividends	35,548.19	21,336.25	14,211.94	166.8%	107,855.81	64,008.75	43,847.06	168.5%	85,345.00
Berkshire Interest	22,553.03	26,356.50	-3,803.47	85.6%	39,900.01	79,069.50	-39,169.49	50.5%	105,426.00
Berkshire-Gain(Loss) on Inv	171,558.30	56,478.00	115,078.30	303.8%	127,593.33	169,434.00	-41,840.67	75.3%	225,913.00

SUSTAINABLE ENERGY FUND, INC.
Profit & Loss - CONSOLIDATED
For the Quarter Ended September 30, 2018

10/29/18

	<u>Jul - Sep 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Jan - Sep 18</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
Total Other Income	229,857.52	104,170.75	125,486.77	220.5%	275,349.15	312,512.25	-37,163.10	88.1%	416,684.00
Other Expense									
Investment Fees	14,198.89		14,198.89	100.0%	40,536.70	56,478.00	-15,941.30	71.8%	75,304.00
Loan/Equity Loss Allowance	10,253.00	-20,000.00	30,253.00	-51.3%	-178,723.00	-20,000.00	-158,723.00	893.6%	-618.00
Bad Debt Expense					-35,220.50				
Total Other Expense	24,451.89	-20,000.00	44,451.89	-122.3%	-173,406.80	36,478.00	-209,884.80	-475.4%	74,686.00
Net Other Income	205,205.63	124,170.75	81,034.88	165.3%	448,755.95	278,034.25	172,721.70	162.6%	341,998.00
Net Income	<u>-5,328.36</u>	<u>-183,398.93</u>	<u>178,070.57</u>	<u>2.9%</u>	<u>-160,232.94</u>	<u>-478,843.94</u>	<u>329,611.00</u>	<u>31.3%</u>	<u>-707,329.05</u>

SUSTAINABLE ENERGY FUND, INC.
Profit & Loss - CONSOLIDATED
For the Quarter Ended September 30, 2018

10/29/18

1. Interest Income Money Market - over budget for year - additional funds transferred to Money Market account for short term
2. Exhibitor Fees - over budget for year - EP 2018 income from exhibitor fees exceeded the budgeted projections
3. Grant Revenue - under budget for year - DEP changed to 2 year grant format
4. Salaries and Wages - under budget for year - replacement of Program Leader, Special Projects, Technical Specialist, & Business Development Specialist
5. Board Meeting Expenses - under budget for year - more attendance via phone resulted in less expense
6. Director Recruitment - under budget for year - fewer advertisements in publications
7. ESP Event - under budget for year - facility deposit of \$3k expensed in prior year
8. Consulting - under budget for year - timing issue with quarterly audits, new building consulting costs were capitalized
9. Legal - Regulatory - under budget for year
10. Legal - PRI - over budget for year - HKQ legal fees for loans in pipeline & Solarize LV RFP
11. Legal - General - over budget for year - HKQ legal fees for net zero building (Construction Agreement, Owner's Representative & Conflict Letter)
12. Travel - under budget for year - tightened travel costs and limited staff
13. MIS Support/Web Hosting - under budget for year
14. Office Supplies & Expense - under budget for year

SUSTAINABLE ENERGY FUND, INC.
Profit & Loss - OPERATIONS
For the Quarter Ended September 30, 2018

	Jul - Sep 18	Budget	\$ Over Budget	% of Budget	Jan - Sep 18	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense									
Income									
Donation Income					18,000.00	18,000.00		100.0%	18,000.00
Interest Income Money Market	71.91	6.25	65.66	1,150.6%	84.54	18.75	65.79	450.9%	25.00
Total Income	71.91	6.25	65.66	1,150.6%	18,084.54	18,018.75	65.79	100.4%	18,025.00
Gross Profit	71.91	6.25	65.66	1,150.6%	18,084.54	18,018.75	65.79	100.4%	18,025.00
Expense									
Building maintenance	506.00				506.00				
Taxes	453.89	1,260.00	-806.11	36.0%	1,093.49	1,260.00	-166.51	86.8%	1,260.00
Salaries & Wages, SES	-55.21				-110.42				
Salaries & Wages, GC	-52.93				-52.93				
Salaries and Wages	27,973.41	33,233.50	-5,260.09	84.2%	107,501.47	99,700.50	7,800.97	107.8%	132,934.00
Fringe Benefits	14,082.30	8,194.75	5,887.55	171.8%	41,442.18	24,584.25	16,857.93	168.6%	32,779.00
Payroll Expense	450.42	450.00	0.42	100.1%	1,527.67	1,550.00	-22.33	98.6%	2,000.00
Payroll Taxes	2,550.59	2,645.00	-94.41	96.4%	11,788.33	7,935.00	3,853.33	148.6%	10,580.00
Performance Incentives									3,988.00
Contract Mngrs./Temp Manpower		750.00	-750.00			2,250.00	-2,250.00		3,000.00
Recruiting & Relocation	521.91	875.00	-353.09	59.6%	4,311.94	2,625.00	1,686.94	164.3%	3,500.00
Training & Registrations	180.00	1,875.00	-1,695.00	9.6%	2,508.00	5,825.00	-3,117.00	44.6%	7,500.00
OCCUPANCY									
Rent	2,318.57	3,743.75	-1,425.18	61.9%	10,001.53	11,231.25	-1,229.72	89.1%	14,975.00
Occupancy SES	-2.68				-5.36				
Occupancy GC	-2.68				-2.68				
Insurance, property	244.72	219.50	25.22	111.5%	643.72	658.50	-14.78	97.8%	878.00
Depreciation Expense	1,491.81	1,667.00	-175.19	89.5%	4,475.43	5,001.00	-525.57	89.5%	6,668.00
Directors' Reimbursed Expenses		300.00	-300.00			900.00	-900.00		1,200.00
Board Meeting Expenses		300.00	-300.00		296.95	900.00	-603.05	33.0%	1,200.00
Board Expense	136.40		136.40	100.0%	210.60		210.60	100.0%	
Director Recruitment	2,992.37	1,750.00	1,242.37	171.0%	2,992.37	5,250.00	-2,257.63	57.0%	7,000.00
Interest Expense									
Dues/Memberships/Subscriptions	1,407.00	2,625.00	-1,218.00	53.6%	8,839.00	7,875.00	964.00	112.2%	10,500.00
Marketing	2,528.95	6,250.00	-3,723.05	40.4%	14,152.60	18,750.00	-4,597.40	75.5%	25,000.00
Auditing					10,525.00	10,525.00		100.0%	10,525.00
Consulting		5,025.00	-5,025.00			15,075.00	-15,075.00		20,100.00
Legal - General		2,000.00	-2,000.00		8,551.70	6,000.00	2,551.70	142.5%	8,000.00
Financial/System Control		750.00	-750.00		2,423.75	2,250.00	173.75	107.7%	3,000.00
Printing/Postage	1,036.75	1,375.00	-338.25	75.4%	5,050.15	4,125.00	925.15	122.4%	5,500.00
Telephone	3,515.19	3,425.00	90.19	102.6%	9,644.75	10,275.00	-630.25	93.9%	13,700.00
Travel	3,226.73	3,150.00	76.73	102.4%	6,367.28	9,450.00	-3,082.72	67.4%	12,600.00
MIS Support/Web Hosting	2,725.76	7,112.70	-4,386.94	38.3%	17,846.84	29,887.30	-12,040.46	59.7%	37,000.00
Office Supplies & Expense	1,549.05	3,400.00	-1,850.95	45.6%	23,202.24	28,400.00	-5,197.76	81.7%	32,000.00
Insurance-Business, D&O, etc	2,520.71	1,308.00	1,212.71	192.7%	6,873.79	3,924.00	2,949.79	175.2%	5,232.00
Miscellaneous	132.00	375.00	-243.00	35.2%	1,686.37	1,125.00	561.37	149.9%	1,500.00
Total Expense	72,429.03	94,059.20	-21,630.17	77.0%	304,291.76	317,131.80	-12,840.04	96.0%	414,119.00
Net Ordinary Income	-72,357.12	-94,052.95	21,695.83	76.9%	-286,207.22	-299,113.05	12,905.83	95.7%	-396,094.00
Other Income/Expense									
Other income									
Berkshire Dividends	35,548.19	21,336.25	14,211.94	166.6%	107,855.81	64,008.75	43,847.06	168.5%	85,345.00
Berkshire Interest	22,553.03	26,356.50	-3,803.47	85.6%	39,900.01	78,069.50	-39,169.49	50.5%	105,426.00
Berkshire-Gain(Loss) on Inv	171,556.30	56,478.00	115,078.30	303.8%	127,593.33	169,434.00	-41,840.67	75.3%	225,913.00
Total Other Income	229,657.52	104,170.75	125,486.77	220.5%	275,349.15	312,512.25	-37,163.10	88.1%	416,684.00
Other Expense									
Investment Fees	14,198.89		14,198.89	100.0%	40,536.70	56,478.00	-15,941.30	71.8%	75,304.00
Total Other Expense	14,198.89		14,198.89	100.0%	40,536.70	56,478.00	-15,941.30	71.8%	75,304.00
Net Other Income	215,458.63	104,170.75	111,287.88	206.8%	234,812.45	256,034.25	-21,221.80	91.7%	341,380.00
Net Income	143,101.51	10,117.80	132,983.71	1,414.4%	-51,394.77	-43,078.80	-8,316.97	119.3%	-64,714.00

SUSTAINABLE ENERGY FUND, INC.
Profit & Loss - CONSOLIDATED FINANCIAL SERVICES
For the Quarter Ended September 30, 2018

	Jul - Sep 18	Budget	\$ Over Budget	% of Budget	Jan - Sep 18	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense									
Income									
Donation Income									
PPA Income									
NESA Income	40,033.26	39,408.00	625.26	101.6%	117,184.83	118,224.00	-1,039.17	99.1%	157,632.00
Processing Fees	13,020.57	12,945.12	75.45	100.6%	39,892.36	38,850.75	1,041.61	102.7%	51,774.00
Interest Income - Program Loans	87,631.54	69,369.65	18,261.89	126.3%	336,321.20	295,650.61	40,670.59	113.8%	366,733.95
Miscellaneous Income	11,006.52		11,006.52	100.0%	11,006.52	10,000.00	1,006.52	110.1%	10,000.00
Total Income	151,691.89	121,722.77	29,969.12	124.6%	504,404.91	462,725.36	41,679.55	109.0%	586,139.95
Gross Profit	151,691.89	121,722.77	29,969.12	124.6%	504,404.91	462,725.36	41,679.55	109.0%	586,139.95
Expense									
Taxes	1,059.07	2,940.00	-1,880.93	36.0%	2,551.44	2,940.00	-388.56	86.8%	2,940.00
NESA Expenses		6,250.00	-6,250.00			18,750.00	-18,750.00		25,000.00
Salaries and Wages	78,334.53	91,206.75	-12,872.22	85.9%	237,854.48	273,620.25	-35,765.77	86.9%	364,827.00
Fringe Benefits	13,486.77	21,574.00	-8,087.23	62.5%	40,945.90	64,722.00	-23,776.10	63.3%	86,296.00
Payroll Taxes	6,540.33	7,367.25	-826.92	88.8%	24,478.77	22,101.75	2,377.02	110.8%	29,469.00
Performance Incentives									10,189.00
Training & Registrations	6,770.48	2,375.00	4,395.48	285.1%	12,007.82	7,125.00	4,882.82	168.5%	9,500.00
Rent	9,419.50	10,007.25	-587.75	94.1%	29,854.38	29,973.75	-119.37	99.6%	39,981.00
Insurance, property	570.96	512.00	58.96	111.5%	1,501.92	1,536.00	-34.08	97.8%	2,048.00
Depreciation Expense	29,992.29	30,400.74	-408.45	98.7%	89,976.87	91,202.22	-1,225.35	98.7%	121,603.00
Directors' Reimbursed Expenses						300.00	-300.00		400.00
Board Meeting Expenses						300.00	-300.00		400.00
Marketing	12,431.01	12,500.00	-68.99	99.4%	33,631.01	37,500.00	-3,868.99	89.7%	50,000.00
Special Programs & Events	12,747.50	32,000.00	-19,252.50	39.8%	85,622.59	82,000.00	3,622.59	104.4%	130,000.00
ESP Event					12,176.41	22,000.00	-9,823.59	55.3%	22,000.00
Legal - PRI	3,950.92	2,500.00	1,450.92	158.0%	19,666.15	7,500.00	12,166.15	262.2%	10,000.00
Due Diligence	30.14	1,250.00	-1,219.86	2.4%	1,263.21	3,750.00	-2,486.79	33.7%	5,000.00
Telephone	403.83	324.99	78.84	124.3%	1,111.49	974.97	136.52	114.0%	1,300.00
Travel	5,840.61	5,775.00	65.61	101.1%	20,183.16	17,325.00	2,858.16	116.5%	23,100.00
Miscellaneous		125.01	-125.01			375.03	-375.03		500.00
Total Expense	181,577.94	227,107.99	-45,530.05	80.0%	612,825.60	683,995.97	-71,170.37	89.6%	934,553.00
Net Ordinary Income	-29,886.05	-105,385.22	75,499.17	28.4%	-108,420.69	-221,270.61	112,849.92	49.0%	-348,413.05
Other Income/Expense									
Other Expense									
Loan/Equity Loss Allowance	10,253.00	-20,000.00	30,253.00	-51.3%	-178,723.00	-20,000.00	-158,723.00	893.6%	-618.00
Bad Debt Expense					-35,220.50				
Total Other Expense	10,253.00	-20,000.00	30,253.00	-51.3%	-213,943.50	-20,000.00	-193,943.50	1,069.7%	-618.00
Net Other Income	-10,253.00	20,000.00	-30,253.00	-51.3%	213,943.50	20,000.00	193,943.50	1,069.7%	618.00
Net Income	-40,139.05	-85,385.22	45,246.17	47.0%	105,522.81	-201,270.61	306,793.42	-52.4%	-347,795.05

SUSTAINABLE ENERGY FUND, INC.
Profit & Loss - CONSOLIDATED EDUCATIONAL SERVICES
For the Quarter Ended September 30, 2018

	Jul - Sep 18	Budget	\$ Over Budget	% of Budget	Jan - Sep 18	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense									
Income									
SEC Program	135.00				135.00				
Participant fees	9,051.48	8,000.00	1,051.48	113.1%	9,051.48	8,000.00	1,051.48	113.1%	8,000.00
Exhibitor fees	2,862.00	1,700.00	1,162.00	168.4%	2,862.00	1,700.00	1,162.00	168.4%	1,700.00
Sponsor fees	18,050.00	19,000.00	-950.00	95.0%	18,050.00	19,000.00	-950.00	95.0%	19,000.00
Grant Revenue	5,000.00	8,000.00	-3,000.00	62.5%	5,000.00	8,000.00	-3,000.00	62.5%	8,000.00
Total Income	35,098.48	36,700.00	-1,601.52	95.6%	35,098.48	36,700.00	-1,601.52	95.6%	36,700.00
Cost of Goods Sold									
SEC	77,877.30	79,850.00	-1,972.70	97.5%	77,877.30	79,850.00	-1,972.70	97.5%	79,850.00
Total COGS	77,877.30	79,850.00	-1,972.70	97.5%	77,877.30	79,850.00	-1,972.70	97.5%	79,850.00
Gross Profit	-42,778.82	-43,150.00	371.18	99.1%	-42,778.82	-43,150.00	371.18	99.1%	-43,150.00
Expense									
Taxes	648.41	1,800.00	-1,151.59	36.0%	1,562.03	1,800.00	-237.97	86.8%	1,800.00
Sustainable Energy Workshops		2,000.00	-2,000.00			2,000.00	-2,000.00		8,000.00
Salaries and Wages	41,152.04	24,419.76	16,732.28	168.5%	80,390.36	73,259.28	7,131.08	109.7%	97,679.00
Fringe Benefits	5,372.08	3,588.75	1,783.33	149.7%	11,093.98	10,766.25	327.73	103.0%	14,355.00
Payroll Taxes	4,018.16	2,430.24	1,587.92	165.3%	8,808.27	7,290.72	1,517.55	120.8%	9,721.00
Performance Incentives									2,144.00
Training & Registrations	195.00	875.01	-680.01	22.3%	544.00	2,625.03	-2,081.03	20.7%	3,500.00
Rent	4,988.28	5,348.01	-359.73	93.3%	15,963.95	16,044.03	-80.08	99.5%	21,392.00
Insurance, property	349.61	313.50	36.11	111.5%	919.67	940.50	-20.83	97.8%	1,254.00
Depreciation Expense	2,131.17	2,381.25	-250.08	89.5%	6,393.51	7,143.75	-750.24	89.5%	9,525.00
Directors' Reimbursed Expenses		100.00	-100.00			300.00	-300.00		400.00
Board Meeting Expenses		100.00	-100.00			300.00	-300.00		400.00
Dues/Memberships/Subscriptions					116.00				
Marketing	4,230.25	7,500.00	-3,269.75	56.4%	25,490.70	22,500.00	2,990.70	113.3%	30,000.00
Legal - Regulatory	1,810.30	9,375.00	-7,564.70	19.3%	8,345.56	33,125.00	-24,779.44	25.2%	42,500.00
Travel	598.82	4,500.00	-3,901.18	13.3%	2,086.25	13,500.00	-11,413.75	15.5%	18,000.00
Miscellaneous	17.88	249.99	-232.11	7.2%	17.88	749.97	-732.09	2.4%	1,000.00
Total Expense	65,512.00	64,981.51	530.49	100.8%	161,732.16	192,344.53	-30,612.37	84.1%	261,670.00
Net Ordinary Income	-108,290.82	-108,131.51	-159.31	100.1%	-204,510.98	-235,494.53	30,983.55	86.8%	-304,820.00
Net Income	-108,290.82	-108,131.51	-159.31	100.1%	-204,510.98	-235,494.53	30,983.55	86.8%	-304,820.00

Monthly Loan Tracking Summary 30-Sep-18

Code	Company	Project	Int. Rate	Risk Rate	Orig. Loan Amount	Loan Start Date	Loan End Date	Principal Balance	Rec'd Payment	Next Pmt Due	Current	Notes	Reserve
1	BM Indian Springs Sawmill	Energy cons.	4.00%	2.5%	\$ 80,100.00	9/14/2015	5/14/2021	\$ 44,079.07	9/24/18	10/14/18	Current	Makes interest only payments timely	\$ 1,102
Total Biomass					1	\$ 80,100.00		\$ 44,079.07					\$ 1,102
2	EE Londonderry School	Green school	6.25%	2.5%	\$ 500,000.00	3/19/03	6/1/21	\$ 255,823.12	9/1/18	10/1/18	Current	Makes principal & interest payments timely	\$ 6,396
3	EE Juniata Cty. School District	Lighting retro-fits	2.0%	2.5%	\$ 891,369.00	11/17/05	11/17/20	\$ 145,832.87	9/24/18	10/1/18	Current	Makes principal & interest payments timely	\$ 3,646
4	EE Forest City School Dist.	Lighting & mechanical	2.0%	2.5%	\$ 228,397.00	6/20/06	6/22/21	\$ 47,160.17	9/24/18	10/20/18	Current	Makes principal & interest payments timely	\$ 1,179
5	EE Philadelphia Praise Center, Inc.	Energy cons.	0.00%	2.5%	\$ 50,600.00	12/13/2013	12/13/2018	\$ 2,530.19	9/28/18	11/13/18	Current	Makes principal only payments timely	\$ 63
6	EE Jewish Home of Greater Harrisburg	Lighting retro-fits	0.00%	2.5%	\$ 75,430.00	2/12/2014	2/12/2019	\$ 6,286.20	8/27/18	10/12/18	Current	Makes principal only payments timely	\$ 157
7	EE Richard Anzivino	Lighting retro-fits	8.25%	5.0%	\$ 13,465.00	4/2/2014	4/2/2019	\$ 1,869.73	9/20/18	10/2/18	Current	Recurring late payments	\$ 93
8	EE Hollidaysburg Area YMCA	Lighting retro-fits	0.00%	2.5%	\$ 10,000.00	5/2/2014	5/2/2019	\$ 1,333.16	9/27/18	11/2/18	Current	Makes principal only payments timely	\$ 33
9	EE Immanuel Center, Inc.	Lighting retro-fits	0.00%	2.5%	\$ 90,000.00	5/13/2014	5/13/2019	\$ 12,000.00	8/27/18	10/13/18	Current	Makes principal only payments timely	\$ 300
10	EE Youth Advocate Programs, Inc.	Lighting retro-fits	0.00%	2.5%	\$ 33,558.00	8/20/2014	8/20/2019	\$ 6,152.30	9/17/18	10/20/18	Current	Makes principal only payments timely	\$ 154
11	EE Susquehanna Home, Inc.	Lighting retro-fits	0.00%	2.5%	\$ 90,000.00	10/3/2014	10/3/2019	\$ 19,500.00	9/28/18	11/3/18	Current	Makes principal only payments timely	\$ 488
12	EE The Kingsley Association	Energy cons.	0.00%	2.5%	\$ 87,000.00	6/18/2015	6/18/2020	\$ 30,450.00	9/4/18	10/18/18	Current	Makes principal only payments timely	\$ 761
13	EE Bridge Five Condominium Association, Inc.	Lighting retro-fits	4.00%	2.5%	\$ 53,000.00	6/23/2015	6/23/2020	\$ 19,764.65	9/29/18	10/23/18	Current	Makes principal & interest payments timely	\$ 494
14	EE Jewish Federation of Gr. Phila.	Lighting retro-fits	0.00%	2.5%	\$ 85,000.00	6/4/2015	6/4/2020	\$ 29,749.87	8/23/18	10/4/18	Current	Makes principal only payments timely	\$ 744
15	EE Colonial Volkswagen, Inc.	Lighting retro-fits	4.00%	2.5%	\$ 36,500.00	9/18/2015	8/18/2020	\$ 14,859.17	9/12/18	10/18/18	Current	Makes principal & interest payments timely	\$ 371
16	EE Stillmeadow Church	Lighting retro-fits	4.00%	2.5%	\$ 9,000.00	11/4/2015	11/4/2018	\$ 528.63	9/1/18	10/4/18	Current	Makes principal only payments timely	\$ 13
17	EE L. Freed & Sons, Inc.	Lighting retro-fits	4.00%	2.5%	\$ 52,413.50	12/21/2015	12/21/2020	\$ 12,742.15	9/14/18	10/21/18	Current	Makes principal & interest payments timely	\$ 319
18	EE PA Leadership Charter School	Lighting retro-fits	4.00%	2.5%	\$ 134,000.00	6/20/2016	6/20/2019	\$ 35,019.90	9/4/18	10/20/18	Current	Makes principal & interest payments timely	\$ 876
19	EE Laura Blau & Paul Thompson	Lighting retro-fits	5.00%	2.5%	\$ 90,500.00	1/4/2017	7/4/2022	\$ 335,731.61	9/1/18	10/4/18	Current	Makes principal & interest payments timely	\$ 8,393
20	EE TB, Inc.	Lighting retro-fits	4.00%	2.5%	\$ 37,100.00	5/2/2017	5/2/2022	\$ 27,919.32	9/4/18	10/2/18	Current	Makes principal & interest payments timely	\$ 698
21	EE 1952 Bryn Mawr Avenue R	Energy cons.	6.00%	2.5%	\$ 150,000.00	6/2/2017	6/2/2027	\$ 149,021.18	8/31/18	10/2/18	Current	Makes principal & interest payments timely	\$ 3,726
22	EE PA Family Institute	Energy cons.	4.00%	2.5%	\$ 6,140.00	6/16/2017	6/16/2020	\$ 3,670.70	9/26/18	11/16/18	Current	Makes principal & interest payments timely	\$ 92
23	EE Cherry Hill	Energy cons.	6.20%	2.5%	\$ 581,379.00	6/30/2017	2/28/2022	\$ 545,473.79	9/11/18	10/15/18	Current	Makes principal & interest payments timely	\$ 13,637
24	EE Chandler Hall	Energy cons.	6.25%	2.5%	\$ 218,755.00	6/30/2017	10/1/2022	\$ 206,589.03	9/11/18	10/15/18	Current	Makes principal & interest payments timely	\$ 5,165
25	EE Pitcairn Building	Energy cons.	4.00%	2.5%	\$ 56,789.00	6/30/2017	10/1/2022	\$ 51,737.58	9/11/18	10/15/18	Current	Makes principal & interest payments timely	\$ 1,293
26	EE Maplewood Virginia, LLP	Energy cons.	6.50%	2.5%	\$ 200,714.00	6/30/2017	2/1/2023	\$ 191,288.31	9/11/18	10/15/18	Current	Makes principal & interest payments timely	\$ 4,782
27	EE The Racquet Club of Phila	Energy cons.	6.50%	2.5%	\$ 128,644.00	6/30/2017	2/1/2023	\$ 122,048.45	9/11/18	10/15/18	Current	Makes principal & interest payments timely	\$ 3,051
28	EE Leading Age	Energy cons.	6.50%	2.5%	\$ 75,475.00	6/30/2017	2/1/2023	\$ 71,535.53	9/11/18	10/15/18	Current	Makes principal & interest payments timely	\$ 1,788
29	EE CC Metrowest	Energy cons.	5.37%	2.5%	\$ 139,660.00	6/30/2017	1/1/2020	\$ 82,913.16	9/11/18	10/15/18	Current	Makes principal & interest payments timely	\$ 2,073
30	EE Cast Iron Building	Energy cons.	6.64%	2.5%	\$ 77,022.00	6/30/2017	1/1/2024	\$ 72,677.06	9/11/18	10/15/18	Current	Makes principal & interest payments timely	\$ 1,817
31	EE Obernick Anchin	Energy cons.	6.64%	2.5%	\$ 489,218.00	6/30/2017	1/1/2024	\$ 448,112.88	9/11/18	10/15/18	Current	Makes principal & interest payments timely	\$ 11,203
32	EE Gardner's Mattress & More	Energy cons.	5.00%	7.5%	\$ 9,710.00	7/9/2018	7/9/2022	\$ 9,342.94	9/11/18	10/9/18	Current	Makes principal & interest payments timely	\$ 701
33	EE CAN DO, Inc.	Energy cons.	4.00%	7.5%	\$ 150,000.00	7/31/2018	7/30/2022	\$ 107,982.78	9/27/18	11/30/18	Current	Makes principal & interest payments timely	\$ 8,099
34	EE Pike County Public Library	Lighting retro-fits	4.00%	7.5%	\$ 27,660.00	8/28/2018	8/28/2023	\$ 27,242.80	9/13/18	10/28/18	Current	Makes principal & interest payments timely	\$ 2,043
35	EE Susquehanna College	Energy cons.	4.00%	7.5%	\$ 1,296,722.00	8/29/2018	8/29/2018	\$ 106,659.32				First loan advance disbursed 8/29/18	\$ 7,999
Total Energy Efficiency					34	\$ 6,122,000.00		\$ 3,201,488.00					\$ 92,644.00
36	S Fegley Real Estate	Solar P	4.00%	2.5%	\$ 52,262.64	10/29/15	10/29/18	\$ 1,537.92	9/11/18	10/29/18	Current	Makes principal & interest payments timely	\$ 38
37	S Phalanx Associates	Solar P	8.00%	2.5%	\$ 795,000.00	2/10/17	2/1/20	\$ 113,170.87	8/1/18	11/1/18	Current	Makes principal & interest payments timely	\$ 2,829
38	S Evergreen Road Associates	Solar P	8.00%	2.5%	\$ 388,000.00	10/3/11	5/1/19	\$ 21,757.58	8/10/18	2/1/19	Current	Makes principal & interest payments timely - paid November 2018 invoice in August 2018	\$ 544
39	S Radio Road Associates	Solar P	8.00%	2.5%	\$ 365,000.00	5/9/12	12/9/17	\$ 55,418.92	8/1/18	11/1/18	Current	Makes principal & interest payments timely	\$ 1,385
40	S CES Community Solar Gardens	Solar P	6.50%	2.5%	\$ 4,890,000.00	10/2/17	1/1/19	\$ -	9/13/18			Loan paid in full 9/13/18	\$ -
41	S Forest Hills PPA, LLC	Solar P	5.25%	7.5%	\$ 270,900.00	12/22/17	12/22/24	\$ 265,035.86	9/19/18	10/22/18	Current	Makes principal & interest payments timely	\$ 19,878
42	S SolarSense PA II PS, LLC	Solar P	5.25%	7.5%	\$ 1,000,000.00	9/25/18	9/25/26	\$ 1,000,000.00				New loan disbursed 9/25/18. 4.0% for 7 years following interest only period	\$ 75,000
Total Solar						\$ 6,162,640.00		\$ 1,492,211.00					\$ 99,644.00
						\$ 14,016,483.14		\$ 4,021,488.00					\$ 193,423.00

	Loan \$	Trans	% Trans
BM Biomass	\$44,079.07	1	2.4%
LED LED	\$0.00	0	0.0%
EE Energy Efficiency	\$3,201,548.55	34	81.0%
Hydro	\$0.00	0	0.0%
S Solar	\$1,456,921.15	7	16.7%
Wind	\$0.00	0	0.0%
	\$4,702,548.77	42	100.0%

Risk Rate	Principal Balance	Reserve
2.5%	\$3,184,415	\$ 79,610
5.0%	\$1,870	\$ 93
7.5%	\$1,516,264	\$ 113,720
20.0%		\$ -
75.0%		\$ -
100.0%		\$ -
	\$4,702,549	\$ 193,424

Sustainable Energy Fund
 American Bank
 Daily Cash Balance Summary
 FDIC insurable limit : \$250,000

April 2018		Operating A/C 7999	Payroll A/C 8004	Savings A/C 8012	TOTAL Bank Balance	Balance per QB	Outstanding &/or In Transit	Bank Balance Excess Over \$250k	Notes
Monday	2	98,542.61	30,511.44	20,008.30	149,062.35	139,720.80	9,341.55	(100,937.65)	
Tuesday	3	89,966.61	30,511.44	20,008.30	140,486.35	133,589.52	6,896.83	(109,513.65)	
Wednesday	4	102,164.02	30,445.45	20,008.30	152,617.77	133,585.71	19,032.06	(97,382.23)	
Thursday	5	124,716.75	30,445.45	20,008.30	175,170.50	156,138.44	19,032.06	(74,829.50)	
Friday	6	123,899.05	30,372.45	20,008.30	174,279.80	156,038.26	18,241.54	(75,720.20)	
Monday	9	124,875.95	30,368.64	20,008.30	175,252.89	155,840.13	19,412.76	(74,747.11)	
Tuesday	10	110,581.98	30,215.08	20,008.30	160,805.36	125,306.56	35,498.80	(89,194.64)	
Wednesday	11	107,802.96	30,215.08	20,008.30	158,026.34	125,306.56	32,719.78	(91,973.66)	
Thursday	12	83,989.70	53,073.21	20,008.30	157,071.21	125,306.56	31,764.65	(92,928.79)	
Friday	13	83,989.70	46,840.36	20,008.30	150,838.36	117,514.61	33,323.75	(99,161.64)	
Monday	16	95,873.64	31,515.49	20,008.30	147,397.43	117,512.98	29,884.45	(102,602.57)	
Tuesday	17	94,796.56	29,877.95	20,008.30	144,682.81	117,512.98	27,169.83	(105,317.19)	
Wednesday	18	94,796.56	29,876.32	20,008.30	144,681.18	117,512.98	27,168.20	(105,318.82)	
Thursday	19	89,796.56	29,876.32	20,008.30	139,681.18	117,512.98	22,168.20	(110,318.82)	
Friday	20	89,796.56	29,876.32	20,008.30	139,681.18	110,848.82	28,832.36	(110,318.82)	
Monday	23	85,779.36	29,465.35	20,008.30	135,253.01	80,384.27	54,868.74	(114,746.99)	
Tuesday	24	85,779.36	29,465.35	20,008.30	135,253.01	80,359.82	54,893.19	(114,746.99)	
Wednesday	25	67,623.91	29,445.35	20,008.30	117,077.56	91,238.14	25,839.42	(132,922.44)	
Thursday	26	78,837.23	53,465.49	20,008.30	152,311.02	91,238.14	61,072.88	(97,688.98)	
Friday	27	77,337.23	47,127.55	20,008.30	144,473.08	91,153.14	53,319.94	(105,526.92)	
Monday	30	77,337.23	31,850.65	20,008.30	129,196.18	91,035.69	38,160.49	(120,803.82)	

Sustainable Energy Fund
 American Bank
 Daily Cash Balance Summary
 FDIC insurable limit : \$250,000

May 2018		Operating A/C 7999	Payroll A/C 8004	Savings A/C 8012	TOTAL Bank Balance	Balance per QB	Outstanding &/or In Transit	Bank Balance Excess Over \$250k	Notes
Tuesday	1	111,163.77	29,592.87	20,010.85	160,767.49	157,735.60	3,031.89	(89,232.51)	
Wednesday	2	107,525.52	29,387.87	20,010.85	156,924.24	157,703.60	(779.36)	(93,075.76)	
Thursday	3	124,326.22	29,240.35	20,010.85	173,577.42	157,703.60	15,873.82	(76,422.58)	
Friday	4	115,263.24	28,805.55	20,010.85	164,079.64	155,867.84	8,211.80	(85,920.36)	
Monday	7	137,783.72	28,773.55	20,010.85	186,568.12	191,656.22	(5,088.10)	(63,431.88)	
Tuesday	8	151,800.08	28,773.55	20,010.85	200,584.48	191,636.22	8,948.26	(49,415.52)	
Wednesday	9	150,376.04	28,773.55	20,010.85	199,160.44	189,634.68	9,525.76	(50,839.56)	
Thursday	10	123,747.24	54,771.01	20,010.85	198,529.10	189,534.68	8,994.42	(51,470.90)	
Friday	11	123,747.24	47,897.11	20,010.85	191,655.20	151,186.93	40,468.27	(58,344.80)	
Monday	14	122,723.37	31,033.10	20,010.85	173,767.32	156,843.99	16,923.33	(76,232.68)	
Tuesday	15	128,185.38	24,456.55	20,010.85	172,652.78	165,856.20	6,796.58	(77,347.22)	
Wednesday	16	144,205.96	24,456.55	20,010.85	188,673.36	161,854.57	26,818.79	(61,326.64)	
Thursday	17	143,520.96	24,302.99	20,010.85	187,834.80	162,749.97	25,084.83	(62,165.20)	
Friday	18	151,750.36	24,282.99	20,010.85	196,044.20	93,747.82	102,296.38	(53,955.80)	
Monday	21	150,088.76	24,281.36	20,010.85	194,380.97	80,009.29	114,371.68	(55,619.03)	
Tuesday	22	157,113.20	24,281.36	20,010.85	201,405.41	91,102.39	110,303.02	(48,594.59)	
Wednesday	23	157,113.20	24,281.36	20,010.85	201,405.41	521,773.19	(320,367.78)	(48,594.59)	\$430k wire transfer rec'd - CSG loan payoff
Thursday	24	574,988.44	45,984.58	10.85	620,983.87	521,753.19	99,230.68	370,983.87	
Friday	25	574,988.44	40,199.82	10.85	615,199.11	520,299.97	94,899.14	365,199.11	
Monday	28	588,111.72	25,977.83	10.85	614,100.40	520,299.97	93,800.43	364,100.40	
Tuesday	29	238,091.72	25,977.83	10.85	264,080.40	222,035.69	42,044.71	14,080.40	\$350k wire transfer to Charles Schwab
Wednesday	30	291,083.74	24,202.04	10.85	315,296.63	222,272.62	93,024.01	65,296.63	
Thursday	31	276,617.17	24,054.08	10.85	300,682.10	222,254.43	78,427.67	50,682.10	

Sustainable Energy Fund
 American Bank
 Daily Cash Balance Summary
 FDIC insurable limit : \$250,000

June 2018		Operating A/C 7999	Payroll A/C 8004	Savings A/C 8012	TOTAL Bank Balance	Balance per QB	Outstanding &/or In Transit	Bank Balance Excess Over \$250k	Notes
Friday	1	267,507.98	24,054.08	12.66	291,574.72	221,484.43	70,090.29	41,574.72	
Monday	4	267,432.98	24,014.08	12.66	291,459.72	221,484.43	69,975.29	41,459.72	
Tuesday	5	267,343.98	24,014.08	12.66	291,370.72	638,544.27	(347,173.55)	41,370.72	\$431k wire transfer rec'd - CSG loan payoff
Wednesday	6	186,498.03	23,994.08	12.66	210,504.77	183,041.23	27,463.54	(39,495.23)	\$450k transferred to Charles Schwab account
Thursday	7	161,388.65	49,103.46	12.66	210,504.77	183,400.31	27,104.46	(66,599.69)	
Friday	8	182,833.09	42,276.07	12.66	225,121.82	212,677.43	12,444.39	(37,322.57)	
Monday	11	214,704.12	28,160.38	12.66	242,877.16	212,677.43	30,199.73	(37,322.57)	
Tuesday	12	214,704.12	26,402.91	12.66	241,119.69	207,919.87	33,199.82	(42,080.13)	
Wednesday	13	211,406.48	23,951.37	12.66	235,370.51	207,919.87	27,450.64	(42,080.13)	
Thursday	14	210,142.48	23,951.37	12.66	234,106.51	207,910.24	26,196.27	(42,089.76)	
Friday	15	213,196.85	23,951.37	12.66	237,160.88	228,601.22	8,559.66	(21,398.78)	
Monday	18	225,230.77	23,951.37	12.66	249,194.80	219,077.86	30,116.94	(30,922.14)	
Tuesday	19	221,943.21	23,941.74	12.66	245,897.61	213,544.67	32,352.94	(36,455.33)	
Wednesday	20	221,485.32	23,941.74	12.66	245,439.72	200,454.65	44,985.07	(49,545.35)	
Thursday	21	195,966.30	50,134.01	12.66	246,112.97	200,454.65	45,658.32	(49,545.35)	
Friday	22	195,966.30	42,961.21	12.66	238,940.17	174,037.38	64,902.79	(75,962.62)	
Monday	25	195,966.30	25,957.09	12.66	221,936.05	144,009.38	77,926.67	(105,990.62)	
Tuesday	26	196,476.73	24,046.74	12.66	220,536.13	(367,181.42)	587,717.55	(617,181.42)	\$500k check written to NEIF for Equity Investment - hold for confirmation of wire transfer & receipt of paperwork
Wednesday	27	691,413.19	24,018.74	12.66	715,444.59	132,761.78	582,682.81	(117,238.22)	\$500k wire transfer received from Charles Schwab account per JC - to be disbursed for equity purchase as soon as paperwork received.
Thursday	28	700,396.45	24,018.74	12.66	724,427.85	144,134.04	580,293.81	(105,865.96)	
Friday	29	695,287.26	24,018.74	12.66	719,318.66	157,273.32	562,045.34	(92,726.68)	

Sustainable Energy Fund
American Bank
Daily Cash Balance Summary
FDIC Insurable limit : \$250,000

July 2018		Operating A/C 7999	Payroll A/C 8004	Savings A/C 8012	TOTAL Bank Balance	Balance per QB	Outstanding &/or In Transit	Bank Balance Excess Over \$250k	Notes
Monday	2	693,226.58	24,018.74	12.66	717,257.98	157,253.32	560,004.66	467,257.98	
Tuesday	3	689,235.77	24,018.74	12.66	713,267.17	148,510.69	564,756.48	463,267.17	
Wednesday	4								Closed for July 4th Holiday
Thursday	5	667,082.23	24,018.74	12.66	691,113.63	148,510.69	542,602.94	441,113.63	Outstanding check to NEIF cleared bank
Friday	6	110,227.21	25,181.83	12.66	135,421.70	122,500.07	12,921.63	(114,578.30)	
Monday	9	110,227.21	25,181.83	12.66	135,421.70	109,976.28	25,445.42	(114,578.30)	
Tuesday	10	110,227.21	25,181.83	12.66	135,421.70	118,661.18	16,760.52	(114,578.30)	
Wednesday	11	556,879.37	25,008.27	12.66	581,900.30	533,637.97	48,262.33	331,900.30	\$434,544.15 PRI payoff rec'd from CES Community Solar Gardens
Thursday	12	578,240.37	25,008.27	12.66	603,261.30	565,198.96	38,062.34	353,261.30	
Friday	13	578,173.57	24,894.68	12.66	603,080.91	565,762.51	37,318.40	353,080.91	
Monday	16	175,656.55	22,747.06	12.66	198,416.27	201,091.22	(2,674.95)	(51,583.73)	\$400k wired to Charles Schwab account
Tuesday	17	205,968.70	22,747.06	12.66	228,728.42	195,058.03	33,670.39	(21,271.58)	
Wednesday	18	198,232.70	22,747.06	12.66	220,992.42	199,618.52	21,373.90	(29,007.58)	
Thursday	19	174,772.08	48,526.90	12.66	223,311.64	173,688.68	49,622.96	(26,688.36)	
Friday	20	172,237.47	41,483.20	12.66	213,733.33	1,176,672.86	(962,939.53)	(36,266.67)	\$431k & \$585k wire transfers rec'd - CSG loan payoffs (2)
Monday	23	1,178,957.26	24,741.33	12.66	1,203,711.25	1,176,644.86	27,066.39	953,711.25	Energypath 2018
Tuesday	24	1,177,744.94	22,897.30	12.66	1,200,654.90	1,170,545.06	30,109.84	950,654.90	Energypath 2018
Wednesday	25	1,178,130.85	22,897.30	12.66	1,201,040.81	1,170,545.06	30,495.75	951,040.81	Energypath 2018
Thursday	26								Energypath 2018
Friday	27								Energypath 2018 - \$431k wire transfer rec'd - CSG loan payoff
Monday	30	597,746.78	22,719.06	12.66	620,478.50	597,095.18	23,383.32	370,478.50	\$1m wired to Charles Schwab account
Tuesday	31	597,746.78	22,719.06	12.66	620,478.50	459,537.01	160,941.49	370,478.50	\$149k PRI disbursement to CAN DO

Sustainable Energy Fund
American Bank
Daily Cash Balance Summary
FDIC Insurable limit : \$250,000

August 2018		Operating A/C 7999	Payroll A/C 8004	Savings A/C 8012	TOTAL Bank Balance	Balance per QB	Outstanding &/or In Transit	Bank Balance Excess Over \$250k	Notes
Wednesday	1	639,436.23	22,711.06	12.66	662,159.95	501,576.68	160,583.27	412,159.95	
Thursday	2	228,922.66	53,029.58	400,012.66	681,964.90	501,576.68	180,388.22	431,964.90	
Friday	3	228,541.10	44,818.32	400,012.66	673,372.08	469,715.77	203,656.31	423,372.08	
Monday	6	228,541.10	24,724.81	400,012.66	653,278.57	470,457.36	182,821.21	403,278.57	
Tuesday	7	235,205.48	22,875.38	400,012.66	658,093.52	466,020.89	192,072.63	408,093.52	
Wednesday	8	235,205.48	22,875.38	400,012.66	658,093.52	466,020.89	192,072.63	408,093.52	
Thursday	9	167,146.40	22,711.06	330,012.66	519,870.12	915,003.84	(395,133.72)	269,870.12	\$430k wire transfer rec'd - CSG loan payoff
Friday	10	602,146.01	22,680.59	330,012.66	954,839.26	924,313.54	30,525.72	704,839.26	
Monday	13	602,146.01	22,680.59	330,012.66	954,839.26	930,112.03	24,727.23	704,839.26	
Tuesday	14	596,834.85	22,633.59	330,012.66	949,481.10	948,542.08	939.02	699,481.10	
Wednesday	15	614,360.41	22,633.59	330,012.66	967,006.66	1,378,670.63	(411,663.97)	717,006.66	\$430k wire transfer rec'd - CSG loan payoff
Thursday	16	1,215,812.11	46,782.09	130,012.66	1,392,606.86	362,624.48	1,029,982.38	1,142,606.86	\$1m wired to Charles Schwab account
Friday	17				-		-		Sally on vacation
Monday	20				-		-		Sally on vacation
Tuesday	21				-		-		Sally on vacation
Wednesday	22				-		-		Sally on vacation
Thursday	23				-		-		Sally on vacation
Friday	24				-		-		Sally on vacation
Monday	27	191,059.18	22,551.86	130,012.66	343,623.70	338,407.98	5,215.72	93,623.70	
Tuesday	28	191,059.18	22,551.86	130,012.66	343,623.70	305,358.18	38,265.52	93,623.70	
Wednesday	29	93,377.37	22,396.86	130,012.66	245,786.89	197,723.39	48,063.50	(4,213.11)	\$106k PRI Disbursement to Ursinus College (via wire)
Thursday	30	71,010.28	44,905.47	130,012.66	245,928.41	245,056.56	871.85	(4,071.59)	
Friday	31	118,343.45	38,824.05	130,012.66	287,180.16	238,162.97	49,017.19	37,180.16	

Sustainable Energy Fund
 American Bank
 Daily Cash Balance Summary
 FDIC insurable limit : \$250,000

September 2018		Operating A/C 7999	Payroll A/C 8004	Savings A/C 8012	TOTAL Bank Balance	Balance per QB	Outstanding &/or In Transit	Bank Balance Excess Over \$250k	Notes
Monday	3				-		-		Office Closed for Labor Day Holiday
Tuesday	4	134,163.18	23,909.88	130,072.84	288,145.90	191,801.77	96,344.13	38,145.90	
Wednesday	5	122,006.00	22,396.86	130,072.84	274,475.70	191,801.77	82,673.93	24,475.70	
Thursday	6	530,986.93	22,381.86	130,072.84	683,441.63	622,919.96	60,521.67	433,441.63	\$431k wire transfer rec'd - CSG loan payoff
Friday	7	525,592.74	22,357.86	130,072.84	678,023.44	618,953.21	59,070.23	428,023.44	
Monday	10	169,039.24	22,357.86	30,072.84	221,469.94	168,953.21	52,516.73	(28,530.06)	\$450k wire transfer to Charles Schwab
Tuesday	11	191,297.67	22,357.86	30,072.84	243,728.37	191,966.99	51,761.38	(6,271.63)	
Wednesday	12	190,532.37	22,357.86	30,072.84	242,963.07	191,966.99	50,996.08	(7,036.93)	
Thursday	13	168,442.18	43,403.23	30,072.84	241,918.25	191,966.99	49,951.26	(8,081.75)	
Friday	14	167,734.91	37,802.43	30,072.84	235,610.18	173,562.39	62,047.79	(14,389.82)	
Monday	17	173,533.40	24,133.58	30,072.84	227,739.82	173,562.39	54,177.43	(22,260.18)	
Tuesday	18	172,961.84	22,358.06	30,072.84	225,392.74	179,756.82	45,635.92	(24,607.26)	
Wednesday	19	158,325.81	22,358.06	10,072.84	190,756.71	189,297.96	1,458.75	(59,243.29)	
Thursday	20	176,265.00	22,358.06	10,072.84	208,695.90	189,297.96	19,397.94	(41,304.10)	
Friday	21	176,265.00	22,358.06	10,072.84	208,695.90	177,914.38	30,781.52	(41,304.10)	
Monday	24	173,652.14	22,358.06	10,072.84	206,083.04	177,914.38	28,168.66	(43,916.96)	
Tuesday	25	173,090.42	22,358.06	10,072.84	205,521.32	170,356.74	35,164.58	(44,478.68)	
Wednesday	26	151,555.87	43,892.61	10,072.84	205,521.32	170,356.74	35,164.58	(44,478.68)	
Thursday	27	143,037.82	43,892.61	10,072.84	197,003.27	170,356.74	26,646.53	(52,996.73)	
Friday	28	142,407.87	38,160.03	10,072.84	190,640.74	163,782.42	26,858.32	(59,359.26)	

Time Weighted Return Berkshire Asset Mgmt.

	3 months	6 months
	6/1/18 thru 9/30/18	4/1/18 thru 9/30/18
	Net of Fees	Net of Fees
Portfolio	1.81%	3.06%
Equities	4.85%	8.22%
Blended Equity Index	7.26%	11.31%
Equity Standard	-2.41% Unfavorable	-3.09% Unfavorable
Fixed Income	0.42%	0.56%
Barclay's Capital 1 - 5 Year Index	0.26%	0.43%
Fixed Income Standard	0.16% Favorable	0.13% Favorable

	Berkshire
Portfolio:	
Equities	\$ 4,486,720
Fixed	\$ 9,413,686
Cash	\$ 14,523
Total	\$ 13,914,929
Equity 50%	32.2%
Fixed 50%	67.7%
Cash, Money Market Fund (Sweep)	0.1%

Fixed Income Index : as of 8/31/16 change from 1-5 year to 1-3 year

Blended rate for Equity Benchmark: as 8/31/16
85% S&P 500 Index
15% Russell 2500 Small and Midcap Index

as of 2/5/15
60% S&P 500 Index
40% Russell 2500 Small and Midcap Index

Sustainable Energy Fund
 Computation of Investment Income Ratio
 Form 990 Compliance
 September 30, 2018

	September 30, 2018		12/31/17	6/30/2017	6/30/2016	6/30/2015	5 Year Total
	Actual	Annualized					
Interest Income - MM	84	120	5	9	35	28	
Interest - Berkshire	39,900	53,200	51,854	114,137	96,485	156,143	
Dividends - Berkshire	107,856	143,808	64,780	73,104	77,628	151,874	
Advisory Fees	(40,536)	(54,048)	(34,896)	(75,578)	(66,442)	(66,502)	
Total Investment Income	107,304	143,080	81,743	111,672	107,706	241,543	685,744
Program Income - Loan interest	336,321	495,321	163,023	185,608	312,020	371,547	
Program Income - Interest Rebates	-	-	4,006	7,795	5,975	2,743	
Processing Fees	38,692	60,292	15,191	13,663	24,769	30,566	
Grant Revenue	5,000	5,000	10,200	103,500	13,000	-	
NESA, Conference & Other Income	177,640	218,172	90,716	127,862	57,315	550	
Total Program Revenue	557,653	778,785	283,136	438,428	413,079	405,406	2,318,834
Total Gross Revenue	664,957	921,865	364,879	550,100	520,785	646,949	3,004,578
Investment Income Ratio	16.14%	15.52%	22.40%	20.30%	20.68%	37.34%	22.82%

Sustainable Energy Systems Balance Sheet 30-Sep-18

Assets

Current Assets

Cash		
Operating	\$ 4,279	
Savings	<u>\$ 36,240</u>	\$ 40,519
Accounts Receivable	<u>\$ 424</u>	\$ 424

Other Assets

Intercompany Account		
Organizational Costs	\$ 6,570	
Accum Amort	<u>\$ (6,570)</u>	\$ -
Equipment	\$ 81,818	
Other Depreciable Assets	\$ 1,949	
Accum Depreciation	<u>\$ (83,767)</u>	<u>\$ -</u>

Total Assets**\$ 40,943****Liabilities & Equity****Liabilities**

Current Liabilities

Accounts Payable	\$ 36	
Due to SEF	<u>\$ -</u>	\$ 36

Equity

GC Equity	\$ 250,000	
Retained Earnings	\$ (210,648)	
Net Income (Loss)	<u>\$ 1,555</u>	<u>\$ 40,907</u>

Total Liabilities & Equity**\$ 40,943**

Sustainable Energy Systems Statement of Profit & Loss For the Nine Months Ending September 30, 2018
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	Actual	Budget	Variance
Project Revenue	\$ 1,800	\$ 1,800	\$ -
Interest Income	\$ 21	\$ 26	\$ (5)
Miscellaneous Income	\$ -	\$ -	\$ -
Expenses			
Staff	\$ 110	\$ 600	\$ (490)
Occupancy	\$ 5	\$ -	\$ 5
System Maintenance	\$ -	\$ 245	\$ (245)
Reimbursable Expenses	\$ -	\$ -	\$ -
Stipends	\$ -	\$ 900	\$ (900)
Meeting Expense	\$ -	\$ 100	\$ (100)
Professional Fees - Auditing/Tax	\$ -	\$ -	\$ -
Professional Fees - SEF Mgmt Fee	\$ -	\$ -	\$ -
Professional Fees - Legal	\$ -	\$ 100	\$ (100)
Office Expense	\$ -	\$ -	\$ -
Operational Supplies	\$ 2	\$ -	\$ 2
Telephone	\$ -	\$ -	\$ -
Marketing Expense	\$ -	\$ -	\$ -
Advertising	\$ -	\$ -	\$ -
Printing/Postage	\$ -	\$ -	\$ -
Tax Expense	\$ -	\$ -	\$ -
Travel	\$ 110	\$ -	\$ 110
Insurance	\$ -	\$ -	\$ -
Miscellaneous	\$ 38	\$ 150	\$ (112)
Total Cash Expenses	\$ 265	\$ 2,095	\$ (1,830)
Net Cash Income	\$ 1,556	\$ (269)	\$ 1,825
Depreciation	\$ -	\$ -	\$ -
Amortization of Organizational Costs	\$ -	\$ -	\$ -
Accrual Net Income	\$ 1,556	\$ (269)	\$ 1,825

Green Connexions, Inc. Balance Sheet 30-Sep-18

Assets

Current Assets

Cash		
Savings	\$ 10,036	
Operating	<u>\$ 190</u>	
		\$ 10,226
Accounts Receivable	<u> </u>	\$ -

Other Assets

Intercompany Account		
Equity Investments	\$ 250,000	
Organizational Costs	\$ 14,995	
Accum Amort	<u>\$ (14,995)</u>	
		\$ 250,000
Equipment	\$ -	
Accum Depreciation	<u>\$ -</u>	
		\$ -

Total Assets**\$ 260,226****Liabilities & Equity****Liabilities**

Current Liabilities

Accounts Payable	\$ -	
Due to SEF	<u>\$ -</u>	
		\$ -

Equity

SEF Equity	\$ 417,000	
Retained Earnings	\$ (155,301)	
Net Income (Loss)	<u>\$ (1,473)</u>	
		<u>\$ 260,226</u>

Total Liabilities & Equity**\$ 260,226**

Green Connexions Inc.
Statement of Profit & Loss
For the Nine Months Ending September, 2018

	Actual	Budget	Variance
Project Revenue	\$ -	\$ -	\$ -
Interest Income	\$ 2	\$ 3	\$ (1)
Expenses			
Staff	\$ 53	\$ 300	\$ (247)
Occupancy	\$ 2		\$ 2
System Maintenance			\$ -
Reimbursable Expenses			\$ -
Stipends	\$ 600	\$ 900	\$ (300)
Meeting Expense	\$ 54	\$ 100	\$ (46)
Professional Fees - Auditing/Tax	\$ 725		\$ 725
Professional Fees - SEF Mgmt Fee			\$ -
Professional Fees - Legal			\$ -
Office Expense	\$ 1		\$ 1
Operational Supplies			\$ -
Telephone			\$ -
Amortization Expenses - Org. Cost			\$ -
Marketing Expense			\$ -
Advertising			\$ -
Printing/Postage			\$ -
Travel			\$ -
Insurance			\$ -
Miscellaneous	\$ 40	\$ 250	\$ (210)
Total Cash Expenses	\$ 1,475	\$ 1,550	\$ (75)
Net Cash Income	\$ (1,473)	\$ (1,547)	\$ 74
Depreciation	\$ -	\$ -	\$ -
Amortization of Organizational Costs	\$ -	\$ -	\$ -
Accrual Net Income	\$ (1,473)	\$ (1,547)	\$ 74

Sustainable Energy Fund
Balance Sheet with Net Zero Building Construction
December 31, 2019 and September, 2018

	Dec 31, 2019	Sept 30, 2018
Current Assets		
Cash and Equivalents	208,109	167,315
Accounts Receivable	56,003	14,096
Endowment Investment	6,060,169	13,914,929
Other Current Assets	38,000	40,630
Total Current Assets	6,362,281	14,136,970
Non-Current Assets		
Long Term Receivables	6,864,378	4,702,548
Loan Loss Allowance	(399,268)	(193,423)
Fixed Assets	7,513,922	2,443,922
Less Accumulated Depreciation	(433,487)	(272,204)
Investment in Green Connexions	417,000	417,000
Investment in National Energy Improvement Fund	500,000	500,000
Total Non-Current Assets	14,462,545	7,597,843
Total Assets	20,824,826	21,734,813
Liabilities		
Accounts Payable	10,000	33,429
Accrued Payroll & Benefits	33,466	29,101
Instant Rebate Liability	-	14,028
Prepaid Processing Fees	38,936	55,216
Deferred Revenue	297,914	330,209
Total Liabilities	380,316	461,983
Equity		
Equity	21,272,830	21,423,063
Accumulated Earnings	(828,320)	(150,233)
Total Liabilities and Equity	20,824,826	21,734,813

Sustainable Energy Fund													
Cash Flow Forecast - January through December 2019													
with Net Zero Building Construction													
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	TOTAL
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Professional Fees - Consulting			2,525			2,525			2,525			2,525	10,100
MIS Support	2,250	2,250	4,250	2,250	2,250	5,250	2,250	2,250	6,250	2,250	2,250	6,250	40,000
Office/Telephone/Printing	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	52,500
Legal - General	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Insurance	829	829	829	829	829	829	829	829	829	829	829	829	9,948
Marketing & Travel	2,000	2,000	5,400	2,000	2,000	5,400	2,000	2,000	5,400	2,000	2,000	5,400	37,600
Other Expenses	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Total General/Admin Expense	12,279	12,479	20,204	12,279	26,804	21,204	13,579	12,279	29,004	12,279	12,479	22,104	206,973
Total Equipment			31,250			31,250			1,250			1,250	65,000
Net Zero Building			500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	5,000,000
TOTAL Loan Disbursement	100,000	150,000	250,000	100,000	150,000	250,000	100,000	150,000	250,000	100,000	150,000	250,000	2,000,000
TOTAL CASH OUT	229,931	280,131	931,958	710,931	776,625	924,127	830,700	757,476	888,303	706,476	756,676	907,095	8,700,429
Cash Flow for the Year	695,097	685,338	(10,984)	213,928	179,243	(772,928)	(640,395)	(573,595)	(738,830)	(554,365)	(575,511)	(759,806)	(2,852,810)
Cumulative Cash Flow Needs	695,097	1,380,435	1,369,451	1,583,378	1,762,621	989,693	349,298	(224,297)	(963,127)	(1,517,493)	(2,093,004)	(2,852,810)	(2,852,810)
Endowment Account													
Balance - Beginning of Month	8,901,272	9,627,523	10,325,306	10,350,460	10,600,614	10,796,314	10,061,173	9,455,993	8,897,493	8,189,804	7,664,103	7,097,416	
Cash Short from above	695,097	685,338	(10,984)	213,928	179,243	(772,928)	(640,395)	(573,595)	(738,830)	(554,365)	(575,511)	(759,806)	
Investment Fees	-	(21,252)	-	-	(20,645)	-	-	(18,000)	-	-	(18,000)	-	
Income - Interest	8,901	9,628	10,325	10,350	10,601	10,796	10,061	9,456	8,897	8,190	7,664	7,097	
Income - Dividends	4,451	4,814	5,163	5,175	5,300	5,398	5,031	4,728	4,449	4,095	3,832	3,549	
Unrealized Gains	17,803	19,255	20,651	20,701	21,201	21,593	20,122	18,912	17,795	16,380	15,328	14,195	
Balance - End of Month	9,627,523	10,325,306	10,350,460	10,600,614	10,796,314	10,061,173	9,455,993	8,897,493	8,189,804	7,664,103	7,097,416	6,362,451	
Split - Equity	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Split - Fixed	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Interest Rate	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	
Dividend Rate	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Unrealized/Realized Gain Rate	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	

Sustainable Energy Fund
Balance Sheet without Net Zero Building Construction
December 31, 2019 and September, 2018

	Dec 31, 2019	Sept 30, 2018
Current Assets		
Cash and Equivalents	208,109	167,315
Accounts Receivable	56,003	14,096
Endowment Investment	11,060,169	13,914,929
Other Current Assets	38,000	40,630
Total Current Assets	11,362,281	14,136,970
Non-Current Assets		
Long Term Receivables	6,864,378	4,702,548
Loan Loss Allowance	(399,268)	(193,423)
Fixed Assets	2,513,922	2,443,922
Less Accumulated Depreciation	(433,487)	(272,204)
Investment in Green Connexions	417,000	417,000
Investment in National Energy Improvement Fund	500,000	500,000
Total Non-Current Assets	9,462,545	7,597,843
Total Assets	20,824,826	21,734,813
Liabilities		
Accounts Payable	10,000	33,429
Accrued Payroll & Benefits	33,466	29,101
Instant Rebate Liability	-	14,028
Prepaid Processing Fees	38,936	55,216
Deferred Revenue	297,914	330,209
Total Liabilities	380,316	461,983
Equity		
Accumulated Earnings	21,272,830	21,423,063
	(828,320)	(150,233)
Total Liabilities and Equity	20,824,826	21,734,813

Sustainable Energy Fund
Cash Flow Forecast - January through December 2019
without Net Zero Building Construction

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	TOTAL
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Professional Fees - Consulting			2,525			2,525			2,525			2,525	10,100
MIS Support	2,250	2,250	4,250	2,250	2,250	5,250	2,250	2,250	6,250	2,250	2,250	6,250	40,000
Office/Telephone/Printing	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	4,375	52,500
Legal - General	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Insurance	829	829	829	829	829	829	829	829	829	829	829	829	9,948
Marketing & Travel	2,000	2,000	5,400	2,000	2,000	5,400	2,000	2,000	5,400	2,000	2,000	5,400	37,600
Other Expenses	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Total General/Admin Expense	12,279	12,479	20,204	12,279	26,804	21,204	13,579	12,279	29,004	12,279	12,479	22,104	206,973
Total Equipment			31,250			31,250			1,250			1,250	65,000
Net Zero Building													-
TOTAL Loan Disbursement	100,000	150,000	250,000	100,000	150,000	250,000	100,000	150,000	250,000	100,000	150,000	250,000	2,000,000
TOTAL CASH OUT	229,931	280,131	431,958	210,931	276,625	424,127	330,700	257,476	388,303	206,476	256,676	407,095	3,700,429
Cash Flow for the Year	695,097	685,338	489,016	715,678	682,755	(267,641)	(133,321)	(64,722)	(228,145)	(41,855)	(61,164)	(243,608)	2,227,428
Cumulative Cash Flow Needs	695,097	1,380,435	1,869,451	2,585,128	3,267,884	3,000,242	2,866,921	2,802,199	2,574,055	2,532,199	2,471,036	2,227,428	2,227,428
Endowment Account													
Balance - Beginning of Month	8,901,272	9,627,523	10,325,306	10,850,460	11,604,114	12,306,839	12,082,272	11,991,238	11,950,486	11,764,168	11,763,487	11,725,496	
Cash Short from above	695,097	685,338	489,016	715,678	682,755	(267,641)	(133,321)	(64,722)	(228,145)	(41,855)	(61,164)	(243,608)	
Investment Fees	-	(21,252)	-	-	(20,645)	-	-	(18,000)	-	-	(18,000)	-	
Income - Interest	8,901	9,628	10,325	10,850	11,604	12,307	12,082	11,991	11,950	11,764	11,763	11,725	
Income - Dividends	4,451	4,814	5,163	5,425	5,802	6,153	6,041	5,996	5,975	5,882	5,882	5,863	
Unrealized Gains	17,803	19,255	20,651	21,701	23,208	24,614	24,165	23,982	23,901	23,528	23,527	23,451	
Balance - End of Month	9,627,523	10,325,306	10,850,460	11,604,114	12,306,839	12,082,272	11,991,238	11,950,486	11,764,168	11,763,487	11,725,496	11,522,928	
Split - Equity	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Split - Fixed	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Interest Rate	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	
Dividend Rate	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
Unrealized/Realized Gain Rate	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	



**Human Resource Committee
Meeting Minutes
October 9, 2018
12:30 p.m.**

**SEF Office
4110 Independence Drive, Suite 100
Schnecksville, PA 18078**

Present:

Robert Thomson, Chairman (Phone)
Jocelyn Cramer (Phone)
Brandi Snyder (Phone)
Bill DeFalco (Phone)

Also Present:

John Costlow, President
Mike Kennedy
Thomas Piliouris

Ms. Cramer called the meeting to order.

**Minutes Approval
October 9, 2018**

A motion (Snyder, Cramer)

RESOLVED to approve the October 9, 2018 HR Committee meeting minutes as presented.

Passed by voice vote (3-0-1) Mr. DeFalco abstained.

Retirement Plan

Mike Kennedy from Merrill Lynch and Thomas Piliouris from John Hancock presented recommended changes to the retirement plan. The changes would limit the number of Funds in the plan, making it easier for employees to self-direct their investments. Funds were chosen based on long-term performance and fees.

A motion (Snyder, Cramer)

RESOLVED to approve the recommended changes to retirement plan as presented.

Passed by voice vote (2-0-2) Mr. Thomson and Mr. DeFalco abstained.

HR Matrix

Mr. Costlow reviewed the HR Matrix.

Educational Hours

Mr. Costlow reviewed the Educational Hours.

Educational Update

Mr. Costlow reviewed the Educational Update.

Key points:

- 1) 314 attendees overall for Energypath 2018
- 2) Conference expenses were less than budgeted at approximately \$77,000.
- 3) Revenue was approximately \$35,000

Regulatory Update

Mr. Costlow reviewed the Regulatory Update. SEF has opposed PPL Electric shifting \$5.6 million from GNE demand response to energy efficiency. A significant portion would likely be used for CHP projects. SEF also opposed cutting the energy savings of the small C&I sector by 25%, but still using the same budget. The Commission has not issued their comments on the ruling.

Education Services P&L Statement

Mr. Costlow reviewed the P&L Statement.

- 1) Salaries and Wages are over budget. This is due to a timing issue.
- 2) Marketing is slightly over budget. This is due to a timing issue.
- 3) Regulatory is significantly below budget.

2019 Budget

Mr. Costlow reviewed the Operational Plan. Discussion ensued regarding the C-PACE program. He also noted the two primary focuses of SEF during 2019 would be growing the volume of Program Related Investments and the net-zero building project.

Goals:

- 1) Launch and execute half-day training and bring back Power Evenings and Power Lunches
- 2) Increase conference participation by 5%
- 3) Increase sponsorship and exhibitor revenue by 5% over 2018

Mr. Costlow reviewed the Budget for 2019.

A motion (Cramer, Snyder)

RESOLVED to approve the October 9, 2018 Operating Plan and Budget as presented for 2019.

Passed by voice vote (2-0-1) Mr. Thomson abstained.

Discussion ensued. The meeting was adjourned.

**HR Matrix
Year Ending December 31, 2018**

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Governance Item	Description	Decision Roles			Frequency	Last Completed	Start Date	Completion Date
		Management	HR Committee	Board				
1. Performance & Rewards Strategy	The guidelines that shape the Fund's compensation strategy and approach	D/R	A	I	Annually (review) As Needed (approve)	4/11/2017	Apr 2018	Apr 10, 2018
2. President Qualifications	The skills and experience required of President	D	R	A	As Needed	9/9/2014		
3. President Compensation and Performance Evaluation	The compensation, benefits, employment agreement and prerequisites of the President; performance standards and evaluation	I	D/R	A	Annually	2/15/2017	Jan 2018	Feb 14, 2018
4. President Succession Planning	Succession process under various scenarios	D	R	A	Annually (review process)	7/27/2017	Jun 2018	July 26, 2018
5. Staff Compensation	The compensation, benefits, employment and severance agreements and prerequisites for senior officers other than the President	D/R	D/A	I	Annually	1/10/2017	Jan 2018 Oct 2018	Jan 9, 2018
6. Development Provided To Staff	Training and skills development	D/A	I	I	Annually	6/20/2017	Jun 2018	July 26, 2018
7. Staff Definition & Job Description	Decisions regarding the definition/job description of staff	D/R	A	I	As Needed	-	-	-
8. Staff Removal	The removal by the President of staff for cause and/or performance	A	I	I	As Needed	-	-	-
9. Employee Benefit Plans	Broad-based, qualified benefit plans (, health, etc.)	D/R	I	A	Annually (review) As Needed (approve)	9/12/2017	Jun 2018	June 12, 2018
9 a. Retirement Plan	Review of retirement plan	D/R	I	A	Annually (Review)	4/11/2017	Apr 2018	Apr 10, 2018
10. Director Development	The development provided for Directors	D	A	I	Annually	-	Jan 2016	-
11. Board Communication	Presentations to the Board that explain the HR Committee's actions	D	A	R	As Needed	-	-	-

Legend

D = Develop
R = Recommend
A = Approve
I = Inform

Monthly Educational Hours

Filter Summary

EducationType	EventDate	Name	SessionLength	Educational Attendees	Education Hours
Booth					
	1/6/2018	PA Farm Show	40.00	7	40.0
	2/17/2018	LVAIC Sustainability Symposium	8.00	1	8.0
	3/12/2018	PAEE Annual Conference	16.00	1	16.0
	3/14/2018	Green Con USGBC	8.00	2	8.0
	4/3/2018	Schaedler Yesco Expo 2018	16.00	2	16.0
	4/14/2018	Bucks County Earth Day Festival Solarize	6.00	1	6.0
	4/18/2018	Northampton Community College Earth Day	6.00	1	6.0
	4/19/2018	Kutztown University Earth Day	7.00	1	7.0
	4/20/2018	Lehigh University Earth Day	3.50	1	3.5
	4/21/2018	Bethlehem Food Co-Op Artisan Fair and Earth Day Festival Solarize	5.50	1	5.5
	4/23/2018	HPC National Home Performance Conference & Trade Show	21.00	3	21.0
	5/1/2018	Lower Macungie Community Day Solarize	4.00	1	4.0
	5/8/2018	IronPigs Community Night Solarize	4.00	1	4.0
	5/15/2018	Lehigh Valley Business Real Estate Symposium	5.00	1	5.0
	5/16/2018	Lehigh Valley Philanthropy Institute Exhibit	6.00	1	6.0
	6/3/2018	PA Downtown Center Conference	16.00	3	16.0
	5/19/2018	Jim Thorpe Birthday Weekend Solarize	14.00	2	14.0
	6/1/2018	Fresh Friday's Local Food Market Solarize	5.00	1	5.0
	6/2/2018	40th Annual Arts and Craft Festival Solarize	6.00	1	6.0

EducationType	EventDate	Name	SessionLeng ht	Educational Attendees	Education Hours
Booth					
	6/2/2018	Pennsylvania Permaculture Convergence	6.00	1	6.0
	6/14/2018	2018 Lehigh Valley Sustainability Awards	2.50	1	2.5
	6/24/2018	Lancaster Barnstormers Farm Show	18.00	3	18.0
	8/8/2018	CPBJ Real Estate Development Symposium	6.00	1	6.0
	9/12/2018	MABEX 2018 Conference & Expo	20.00	3	20.0
	9/13/2018	WACC State of the Counties Luncheon	1.50	1	1.5
	9/21/2018	Energy & Environmental Outlook 2018	3.50	1	3.5
	6/7/2018	Solarize LV - Macungie Farmer's Market	3.00	1	3.0
	6/9/2018	Solarize LV - Bethlehem Rose Garden Farmer's Market	5.00	1	5.0
	6/10/2018	Solarize LV - Coopersburg Farmer's Market	3.50	1	3.5
	6/17/2018	Solarize LV - Saucon Valley Farmer's Market	4.50	1	4.5
	6/29/2018	Solarize LV - Renningers Farmer's Market	14.00	2	14.0
	6/30/2018	Solarize LV - Easton Farmer's Market	4.50	1	4.5
	7/8/2018	Solarize LV - Coopersburg Farmer's Market	3.50	1	3.5
	7/14/2018	Solarize LV - VegFest	7.00	1	7.0
	7/15/2018	Solarize LV - Emmaus Farmer's Market	5.00	1	5.0
	8/12/2018	Solarize LV - Coopersburg Farmer's Market	3.50	1	3.5
	8/5/2018	Solarize LV - Kutztown Community Day	8.00	1	8.0
	8/16/2018	Solarize LV - Macungie Farmer's Market	3.00	1	3.0
	8/18/2018	Solarize LV - Hellertown Community Day	8.00	1	8.0
	8/19/2018	Solarize LV - Emmaus Farmer's Market	3.50	1	3.5
	8/25/2018	Solarize LV - Plumsteadville Farmer's Market	4.50	1	4.5
	9/9/2018	Solarize LV - National Drive Electric Week	5.00	1	5.0

EducationType	EventDate	Name	SessionLength	Educational Attendees	Education Hours
Booth					
	9/22/2018	Solarize LV - Peace Fair	6.50	1	6.5
	9/27/2018	Solarize LV - 2018 Schneider Lecture Fashion Show	3.00	1	3.0
	9/29/2018	Solarize LV - Allentown Arts Festival	10.00	1	10.0
	9/8/2018	Solarize LV - Bethlehem Township Community Days	9.00	1	9.0
	8/25/2018	Solarize LV - Upper Nazareth Township Community Days	6.00	1	6.0
Summary			374.50		374.5
Hands On Training					
	7/24/2018	Energypath Energy Camps	24.00	118	2,832.0
Summary			24.00		2,832.0
Presentation					
	2/17/2018	LVAIC Sustainability Symposium	1.00	25	25.0
	3/20/2018	Lehigh University Energy Institute	2.00	25	50.0
	5/3/2018	Solarize LV - Program Launch	2.00	30	60.0
	5/9/2018	Lehigh Valley Green Drinks	1.50	25	37.5
	5/23/2018	Solarize LV - Future of Solar in the Lehigh Valley	1.50	2	3.0
	6/5/2018	Upper Saucon Township EAC Presentation	1.00	10	10.0
	7/12/2018	Solarize LV - Bethlehem Public Library	1.00	1	1.0
	8/6/2018	Solarize LV - Emmaus	1.50	7	10.5
	8/8/2018	Solarize LV - Kutztown Rotary	1.50	6	9.0
	8/15/2018	Solarize LV - National Builders Guild	1.50	8	12.0
	8/20/2018	Solarize LV - Hellertown	1.50	6	9.0
	8/21/2018	Solarize LV - Palmertown	1.50	7	10.5
	8/28/2018	Solarize LV - Southern Lehigh	1.00	1	1.0

Event Name	Date	Location	PPL SA	Exhibitor	Sponsor	Hard Costs	Purpose
PA Farm Show	1/6-13/2018	Harrisburg	Yes	X		351	Education, Public Outreach
LVAIC Sustainability Conference	2/17/2018	Easton	Yes	X		35	Education, Programs
PAEE Conference 2018	3/12-13/2018	State College	No	X	X	250	Education, Energy path
GreenCon	3/14/2018	Dickinson		X		750	Finance, Programs
Schaedler Yesco Expo	4/3-4/18	Hershey	Yes	X		2,100	Finance, ESP Prospects
Bucks County Earth Day Festival	4/14/2018	New Hope	No	X		\$ -	Special Projects, Solarize
Lehigh Valley for All March for Science		Allentown	Yes	X			Special Projects, Solarize
Bethlehem Food Co-Op Artisan Fair and Earth Day Festival	4/21/2018	Bethlehem	Yes	X		20	Special Projects, Solarize
HPC National Home Performance Conference & Trade Show	4/23-26/2018	Philadelphia	No	X		1,250	Finance, Programs
Lower Macungie Community Day	5/1/2018	Macungie	Yes	X		-	Special Projects, Solarize
Iron Pigs Commuity Night	5/8/2018	Allentown	Yes	X			Special Projects, Solarize
Lehigh Valley Business Real Estate Development Symposium	5/15/2018	Center Valley	Yes	X		350	Finance, Programs
Lehigh Valley Philanthropy Institute Exhibit	5/16/2018	Center Valley	Yes	X		190	Finance, Programs
Jim Thorpe Birthday Weekend	5/19/2018	Jim Thorpe		X		15	Special Projects, Solarize
Pennsylvania Permaculture Convergence	6/1-2/18	Tamaqua	Yes	X			Special Projects, Solarize
40th Annual Arts and Crafts Festival	6/2/2018	Nazareth	Yes	X		50	Special Projects, Solarize
PA Downtown 2018 Conference	6/3-6/2018	West Chester		X		500	Finance, Programs
Macungie Farmers Market	6/7/2018	Macungie	Yes	X			Special Projects, Solarize
Bethlehem Rose Garden Farmer's Market	6/9/2018	Bethlehem	Yes	X			Special Projects, Solarize
Coopersburg Farmer's Market	6/10/2018	Coopersburg	Yes	X			Special Projects, Solarize
2018 Lehigh Valley Sustainability Awards	6/14/2018	Bethlehem	Yes	X	X	500	Education and Finance, Public Outreach
Saucon Valley Farmer's Market	6/17/2018	Saucon Valley	Yes	X			Special Projects, Solarize
Leading Age PA Annual Conference & Exposition	6/20/2018	Hershey	Yes			359	Finance, Programs
Lancaster Barnstormers Farm Show	6/22-24/2018	Lancaster	Yes	X	X	0	Finance, Programs
Renninger's Antique and Farmer's Market	6/29/2018	Kutztown		X			Special Projects, Solarize
Easton Farmer's Market	6/30/2018	Easton	Yes	X			Special Projects, Solarize
Coopersburg Farmer's Market	7/8/2018	Coopersburg	Yes	X			Special Projects, Solarize
VegFest	7/14/2018	Bethlehem	Yes	X		75	Special Projects, Solarize
Emmaus Farmer's Market	7/15/2018	Emmaus	Yes	X			Special Projects, Solarize
Kutztown Community Day	8/5/2018	Kutztown	Yes	X			Special Projects, Solarize
CPBJ Real Estate and Development Symposium	8/8/2018	Hershey	Yes	X		500	Finance, Programs
Coopersburg Farmer's Market	8/12/2018	Coopersburg	Yes	X			Special Projects, Solarize
Macungie Farmers Market	8/16/2018	Macungie	Yes	X			Special Projects, Solarize
Hellertown Community Day	8/18/2018	Hellertown	Yes	X		100	Special Projects, Solarize
Emmaus Farmer's Market	8/19/2018	Emmaus	Yes	X			Special Projects, Solarize
Plumsteadville Farmer's Market	8/25/2018	Plumsteadville	Yes	X		50	Special Projects, Solarize
Upper Nazareth Township Community Days	8/25/2018	Nazareth	Yes	X		25	Special Projects, Solarize
Bethlehem Township Community Days	9/8/2018	Bethlehem	Yes	X			Special Projects, Solarize
National Drive Electric Week	9/9/2018	Allentown	Yes	X			Special Projects, Solarize
MABEX 2018 Conference & Expo	9/12-14/2018	Philadelphia	No	X	X	7,500	Finance, Programs
Lehigh Valley Chamber Energy & Environmental Outlook 2018	9/21/2018	Lehigh Valley	Yes	X	X	3,500	Finance, Programs
Peace Fair	9/22/2018	Lahaska		X		45	Special Projects, Solarize
Allentown Arts Festival	9/29/2018	Allentown	Yes	X		25	Special Projects, Solarize
2018 AASHE Conference & Expo	10/2-5/2018	Pittsburgh	No	X		1,500	Education, Energy path
Lehigh Valley Business Expo 2018	10/3/2018	Allentown	Yes	X		650	Finance, Programs
PANO Conference 2018	10/4-5/2018	State College	No	X		750	Finance, Programs

Education Event

Finance Event

3rd Quarter Education Update

Energypath 2018

Theme: Grid Integration

- **314 Attendees**
 - Overall 63 more than 2017
 - Conference only attendees doubled
 - Only 14 no shows, down from typical 30%
- **Hard cost: \$77,877**
- **Revenue: \$35,098**
- **Energy Camps: Solar, Wind, Intro to Sustainable Energy**
- **3 Plenary sessions**
- **19 Breakout sessions**
- **15 Science fair projects**
- **Epstein Lifetime Achievement Award: Craig Onori**
- **Survey**
 - 88% of energy camp participants – new attendees
 - 79% would attend again
 - 79% reported increase in passion and commitment for sustainable energy

Education events focused on Earth Day, Solarize and Booths

- **19 Booth events, mostly for Solarize LV**
- **9 Presentations, mostly for Solarize LV**

Regulatory Update**October 2, 2018**

PPL Electric EE&C Modifications Docket M-2015-2515642

- Opposed shifting \$5.6 million from GNE demand response to energy efficiency where a significant portion would likely be used for CHP projects. Small C&I nonprofits are being waiting listed as a result of large CHP projects.
- Opposed cutting the energy savings of the small C&I sector by 25% but using same budget.
- Requested a hearing



401k Alignment

These following pages were supplied by Michael Kennedy of
Merrill Lynch for use during his presentation

- John Hancock Contract Investment Administration
Instructions
Page 1
 - Proposed menu revisions
Page 2
- John Hancock USA – Investment Allocation
Page 3

[Click Here to Start](#)



Contract Investment Administration Instructions

Use this form to select additional investment options for your group annuity contract ("Contract") and/or to replace existing investment options available under your Contract. Also use this form to change the Default Investment Option ("DIO") for your Contract.

A list of investment options available is attached in **Appendix B, "Investment Options."** Please note that this platform of investment options is made available without regard to the individualized needs of any plan. John Hancock Life Insurance Company (U.S.A.) ("John Hancock USA") does not, and is not undertaking to, provide impartial investment advice or to give advice in a fiduciary capacity.

The availability of the investment options listed may have changed since the production date of this form. Please visit the Plan Sponsor website, www.jhpenions.com/er, or contact your Client Account Representative for a current listing or to determine whether all the investment options listed are available to your Contract. Fund availability is subject to regulatory approval and may vary from state to state.

If a Stable Value Fund is currently available under the Contract, or is being added or removed, it is important that you also read the instructions in **Appendix A, "Supplemental Information Regarding Stable Value Funds"** attached to this form.

If you are removing a **Guaranteed Interest Account**, see **Appendix B, "Investment Options,"** for more information

Fax the completed and signed form to our toll-free number 1-866-377-9577.

If you have any questions and for more information, please call your John Hancock USA client account representative.

Important Information before You Begin

Changes to the Contract, including investment options, charges, fees and methods of payment, may impact the Estimated Cost of Recordkeeping for this Contract, Indirect Compensation and/or Investment Information provided under ERISA s.408(b)(2). Updates to ERISA s.408(b)(2) Disclosure Information are available on the Regulatory Disclosures page on our Plan Sponsor Website. It is your responsibility to access this website periodically and view this information at least monthly.

The change(s) requested in this form may impact information previously disclosed to your eligible employees. Any changes to such previously disclosed plan related information will require advance notification to your eligible employees, participants and beneficiaries under ERISA Reg. Section 2550.404a-5 at least 30, but not more than 90, days in advance of the effective date of the change.

- It is your responsibility to provide such disclosures.
- The signed form should only be submitted to John Hancock USA for processing after the required notification in compliance with the required timelines has been provided.

Sustainable Energy Fund - 56139

Proposed Menu Revisions 7/31/18 MSK

<u>Category</u>		<u>Fund Name</u>
Target Date		American Funds (neg JH ¹¹)
Target Risk		retain JH
S&P 500		retain JH
<u>Domestic</u>		
Large V		Robeco Disciplined Value
Large Blend/core		Fidelity Adv. Diversified Stock
Large G		JP Morgan Large Cap Growth
Mid Cap Blend/core		JP Morgan
Small Cap Blend/core		Wellington
Balanced		American Balanced
<u>International</u>		
Int'l Large G/core		American Europacific
Emerging Blend		American New World
<u>Specialty</u>		
Real Estate		Deutsche
Natural Resources		Tennison
Energy		Vanguard
<u>Bond</u>		
Emerging Bond		MFS
World Bond		Franklin Templeton
Int. U.S. Bond		Fidelity
<u>Stable Value</u>		retain JH



SUSTAINABLE ENERGY FUND | Contract: 56139

investment allocation

Investment allocation as of July 27, 2018 Asset view						
John Hancock Series and Venture Series Allocation Portfolios	Options with assets	Participants invested	Employee assets (\$)	Employer assets (\$)	Total assets (\$)	% of total
Total all investment options excluding Asset Allocation Portfolios	18	4	49,427.94	16,016.99	65,444.93	18.43%
Total Asset Allocation - Target Date Portfolios	8	7	105,848.99	79,940.81	185,789.80	52.31%
Total Asset Allocation - Target Risk Portfolios	4	7	57,626.02	46,293.19	103,919.21	29.26%

Investment option	Participants invested (current/ongoing)	Employee assets (\$)	Employer assets (\$)	Total assets (\$)	% of total
Asset Allocation - Target Date					
American Century 2060	0	0.00	0.00	0.00	0%
American Century 2055	0	0.00	0.00	0.00	0%
American Century 2050	0	0.00	0.00	0.00	0%
American Century 2045	0	0.00	0.00	0.00	0%
American Century 2040	0	0.00	0.00	0.00	0%
American Century 2035	0	0.00	0.00	0.00	0%
American Century 2030	0	0.00	0.00	0.00	0%
American Century 2025	0	0.00	0.00	0.00	0%
American Century 2020	0	0.00	0.00	0.00	0%
American Century In Retirement	0	0.00	0.00	0.00	0%
American Funds 2060 TD	0	0.00	0.00	0.00	0%
American Funds 2055 TD	0	0.00	0.00	0.00	0%
American Funds 2050 TD	0	0.00	0.00	0.00	0%
American Funds 2045 TD	0	0.00	0.00	0.00	0%
American Funds 2040 TD	0	0.00	0.00	0.00	0%
American Funds 2035 TD	0	0.00	0.00	0.00	0%
American Funds 2030 TD	0	0.00	0.00	0.00	0%
American Funds 2025 TD	0	0.00	0.00	0.00	0%
American Funds 2020 TD	0	0.00	0.00	0.00	0%
American Funds 2015 TD	0	0.00	0.00	0.00	0%
American Funds 2010 TD	0	0.00	0.00	0.00	0%
JH Multimanager 2060 Lifetime	0	0.00	0.00	0.00	0%
JH Multimanager 2055 Lifetime	0	0.00	0.00	0.00	0%
JH Multimanager 2050 Lifetime	1/1	29.08	94.48	123.56	0.03%
JH Multimanager 2045 Lifetime	0	0.00	0.00	0.00	0%
JH Multimanager 2040 Lifetime	0	0.00	0.00	0.00	0%
JH Multimanager 2035 Lifetime	1/1	81,483.42	61,421.50	142,904.92	40.24%
JH Multimanager 2030 Lifetime	0	0.00	0.00	0.00	0%
JH Multimanager 2025 Lifetime	0	0.00	0.00	0.00	0%
JH Multimanager 2020 Lifetime	0	0.00	0.00	0.00	0%
JH Multimanager 2015 Lifetime	0	0.00	0.00	0.00	0%
JH Multimanager 2010 Lifetime	0	0.00	0.00	0.00	0%
JH Multi-Index 2060 Lifetime	0	0.00	0.00	0.00	0%
JH Multi-Index 2055 Lifetime	0	0.00	0.00	0.00	0%
JH Multi-Index 2050 Lifetime	1/1	29.09	94.59	123.68	0.03%
JH Multi-Index 2045 Lifetime	0	0.00	0.00	0.00	0%
JH Multi-Index 2040 Lifetime	0	0.00	0.00	0.00	0%
JH Multi-Index 2035 Lifetime	0	0.00	0.00	0.00	0%
JH Multi-Index 2030 Lifetime	0	0.00	0.00	0.00	0%
JH Multi-Index 2025 Lifetime	0	0.00	0.00	0.00	0%
JH Multi-Index 2020 Lifetime	0	0.00	0.00	0.00	0%
JH Multi-Index 2015 Lifetime	0	0.00	0.00	0.00	0%
JH Multi-Index 2010 Lifetime	0	0.00	0.00	0.00	0%

American Funds

JH Multi-Index 2060 Preserv	0		0.00	0.00	0.00	0%
JH Multi-Index 2055 Preserv	1/1		4,985.52	3,716.77	8,702.29	2.45%
JH Multi-Index 2050 Preserv	2/2		17,533.59	12,807.94	30,341.53	8.54%
JH Multi-Index 2045 Preserv	0		0.00	0.00	0.00	0%
JH Multi-Index 2040 Preserv	1/1	retain	1,763.42	1,305.81	3,069.23	0.86%
JH Multi-Index 2035 Preserv	0		0.00	0.00	0.00	0%
JH Multi-Index 2030 Preserv	0		0.00	0.00	0.00	0%
JH Multi-Index 2025 Preserv	0		0.00	0.00	0.00	0%
JH Multi-Index 2020 Preserv	0		0.00	0.00	0.00	0%
JH Multi-Index Income Preserv	0		0.00	0.00	0.00	0%
T. Rowe Price Retirement 2060	0		0.00	0.00	0.00	0%
T. Rowe Price Retirement 2055	0		0.00	0.00	0.00	0%
T. Rowe Price Retirement 2050	1/1	X map to American	24.87	80.85	105.72	0.03%
T. Rowe Price Retirement 2045	0		0.00	0.00	0.00	0%
T. Rowe Price Retirement 2040	0		0.00	0.00	0.00	0%
T. Rowe Price Retirement 2035	0		0.00	0.00	0.00	0%
T. Rowe Price Retirement 2030	0		0.00	0.00	0.00	0%
T. Rowe Price Retirement 2025	0		0.00	0.00	0.00	0%
T. Rowe Price Retirement 2020	0		0.00	0.00	0.00	0%
T. Rowe Price Retirement 2015	0		0.00	0.00	0.00	0%
T. Rowe Price Retirement 2010	1/0		0.00	418.87	418.87	0.12%
Asset Allocation - Target Risk						
JH Multimanager Aggressive LS	1/1		2,431.28	925.10	3,356.38	0.95%
JH Multimanager Growth LS	4/4		21,953.59	16,169.32	38,122.91	10.73%
JH Multimanager Balanced LS	3/3	retain	25,354.10	20,826.14	46,180.24	13%
JH Multimanager Moderate LS	2/2		7,887.05	8,372.63	16,259.68	4.58%
JH Multimanager Conserv LS	0		0.00	0.00	0.00	0%
JH Multi-Index LS Aggressive	0		0.00	0.00	0.00	0%
JH Multi-Index LS Growth	0		0.00	0.00	0.00	0%
JH Multi-Index LS Balanced	0		0.00	0.00	0.00	0%
JH Multi-Index LS Moderate	0		0.00	0.00	0.00	0%
JH Multi-Index LS Conserv	0		0.00	0.00	0.00	0%
JH Managed Volatility Agg	0		0.00	0.00	0.00	0%
JH Managed Volatility Growth	0		0.00	0.00	0.00	0%
JH Managed Volatility Bal	0		0.00	0.00	0.00	0%
JH Managed Volatility Mod	0		0.00	0.00	0.00	0%
JH Managed Volatility Con	0		0.00	0.00	0.00	0%
Aggressive Growth						
Aberdeen International Equity	0		0.00	0.00	0.00	0%
American Century Heritage	0		0.00	0.00	0.00	0%
AMG Managers Fairpointe MidCap	0		0.00	0.00	0.00	0%
Baird MidCap Fund	0		0.00	0.00	0.00	0%
DFA Emerging Markets Value	0		0.00	0.00	0.00	0%
DFA Intl Small Cap Value	0		0.00	0.00	0.00	0%
DFA International Value	0		0.00	0.00	0.00	0%
DFA US Targeted Value Fund	0		0.00	0.00	0.00	0%
DFA U.S. Small Cap Fund	0		0.00	0.00	0.00	0%
Diamond Hill Small-Mid Cap	0		0.00	0.00	0.00	0%
EuroPacific Growth Fund	1/1	retain	1,490.70	658.69	2,149.39	0.61%
Fidelity Adv Leveraged Co SIK	0		0.00	0.00	0.00	0%
Financial Industries Fund	0		0.00	0.00	0.00	0%
Franklin Small-Mid Growth	0		0.00	0.00	0.00	0%
Harbor Mid Cap Value Fund	0		0.00	0.00	0.00	0%
Intl Equity Index Fund	0		0.00	0.00	0.00	0%
Intl Small Cap Fund	1/1	map to Wellington Small Blend	885.89	391.34	1,277.23	0.36%
International Value Fund	0		0.00	0.00	0.00	0%
Invesco International Growth	0		0.00	0.00	0.00	0%
Invesco Small Cap Growth	0		0.00	0.00	0.00	0%
iShares Gold Trust ETF	0		0.00	0.00	0.00	0%
iShares MSCI EAFE Growth ETF	0		0.00	0.00	0.00	0%
iShares MSCI EAFE Value ETF	0		0.00	0.00	0.00	0%
JH Disciplined Value Intl Fund	0		0.00	0.00	0.00	0%
John Hancock Intl Growth	0		0.00	0.00	0.00	0%
JPMorgan Intrepid Mid Cap	0		0.00	0.00	0.00	0%
JPMorgan MidCap Value Fund	0		0.00	0.00	0.00	0%
Keeley Small Cap Value	0		0.00	0.00	0.00	0%
Lazard International Equity	0		0.00	0.00	0.00	0%
Lord Abbett Value Opps Fund	0		0.00	0.00	0.00	0%
Mid Cap Index Fund	1/1	map to Mid Blend	1,194.14	527.49	1,721.63	0.48%

Mid Cap Stock Fund	0		0.00	0.00	0.00	0%
Mid Value Fund	1/1	<i>map to mid blend</i>	1,171.36	517.52	1,688.88	0.48%
Natural Resources Fund	0		0.00	0.00	0.00	0%
New Opportunities Fund	0		0.00	0.00	0.00	0%
New World Fund	0		0.00	0.00	0.00	0%
Northern EM Equity Index Fund	0		0.00	0.00	0.00	0%
Northern Small Cap Value Fund	0		0.00	0.00	0.00	0%
Oppenheimer Developing Mkt	0		0.00	0.00	0.00	0%
Oppenheimer Intl Growth Fund	0		0.00	0.00	0.00	0%
PIMCO Commodity Real Return	0		0.00	0.00	0.00	0%
Real Est. Securities Fund	1/1	<i>map - Deutsche</i>	875.25	386.56	1,261.81	0.36%
Royce Opportunity	0		0.00	0.00	0.00	0%
Royce Pennsylvania Mutual Fund	0		0.00	0.00	0.00	0%
Science & Technology Fund	0		0.00	0.00	0.00	0%
Small Cap Index Fund	0		0.00	0.00	0.00	0%
Small Cap Stock Fund	0		0.00	0.00	0.00	0%
Small Cap Value Fund	1/1		1,485.25	656.32	2,141.57	0.6%
Small Company Value Fund	0		0.00	0.00	0.00	0%
SMALLCAP World Fund	0		0.00	0.00	0.00	0%
T. Rowe Price Overseas Stock	0		0.00	0.00	0.00	0%
T. Rowe Price Sci & Tech	0		0.00	0.00	0.00	0%
T. Rowe Price Sml Cap Val	0		0.00	0.00	0.00	0%
Tocqueville Gold Fund	0		0.00	0.00	0.00	0%
Undiscovered Mgr Behavioral	0		0.00	0.00	0.00	0%
Vanguard Energy Fund	1/1	<i>retain</i>	8,433.21	3,536.13	11,969.34	3.37%
Vanguard Explorer Fund	0		0.00	0.00	0.00	0%
Vanguard Mid-Cap Growth ETF	0		0.00	0.00	0.00	0%
Vanguard Mid-Cap Value ETF	0		0.00	0.00	0.00	0%
Vanguard Small Cap Grow Index	0		0.00	0.00	0.00	0%
Vanguard Small Cap Value Index	0		0.00	0.00	0.00	0%
Wells Fargo Small Company	0		0.00	0.00	0.00	0%
WisdomTree MidCap Dividend	0		0.00	0.00	0.00	0%
ETF						
WisdomTree MC Earnings ETF	0		0.00	0.00	0.00	0%
WisdomTree SC Dividend ETF	0		0.00	0.00	0.00	0%
Growth						
500 Index Fund	1/1	<i>retain</i>	7,335.49	428.46	7,763.95	2.19%
BlackRock Basic Value	0		0.00	0.00	0.00	0%
BlackRock Global Allocation	0		0.00	0.00	0.00	0%
Blue Chip Growth Fund	0		0.00	0.00	0.00	0%
Capital Appreciation Fund	0		0.00	0.00	0.00	0%
Capital Income Builder	0		0.00	0.00	0.00	0%
Capital World Growth & Income	0		0.00	0.00	0.00	0%
ClearBridge Aggressive Growth	0		0.00	0.00	0.00	0%
Dodge & Cox Stock Fund	0		0.00	0.00	0.00	0%
Domini Impact Equity Fund	0		0.00	0.00	0.00	0%
Equity Income Fund	0		0.00	0.00	0.00	0%
Fidelity Adv Diversified Stock	0		0.00	0.00	0.00	0%
Fidelity Adv New Insights	0		0.00	0.00	0.00	0%
Fidelity ContraFund	0		0.00	0.00	0.00	0%
FT Founding Funds Allocation	0		0.00	0.00	0.00	0%
Franklin Mutual Beacon Fund	0		0.00	0.00	0.00	0%
Mutual Global Discovery	0		0.00	0.00	0.00	0%
Fundamental All Cap Core Fund	0		0.00	0.00	0.00	0%
Fundamental Investors	0		0.00	0.00	0.00	0%
Fundamental Large Cap Value	0		0.00	0.00	0.00	0%
Ivy Asset Strategy Fund	0		0.00	0.00	0.00	0%
John Hancock Disciplined Value	0		0.00	0.00	0.00	0%
JPMorgan Large Cap Growth	0		0.00	0.00	0.00	0%
JPMorgan U.S. Equity Fund	1/1	<i>map - Fidelity lg - Blend</i>	1,223.30	540.45	1,763.75	0.5%
Massachusetts Investors Fund	0		0.00	0.00	0.00	0%
MFS Value Fund	0		0.00	0.00	0.00	0%
New Perspective Fund	0		0.00	0.00	0.00	0%
Oppenheimer Global	0		0.00	0.00	0.00	0%
Parnassus Core Equity Fund	1/1	<i>map - Fidelity lg - Blend</i>	3,702.88	215.61	3,918.49	1.1%
Sit Dividend Growth Fund	0		0.00	0.00	0.00	0%
T. Rowe Price Equity Inc	0		0.00	0.00	0.00	0%
T. Rowe Price Health Sci	0		0.00	0.00	0.00	0%
Templeton World	0		0.00	0.00	0.00	0%

John Hancock USA - Investment Allocation

The Growth Fund of America	1/1	map JP Morgan Lge Bond	2,258.21	997.95	3,256.16	0.92%
Income Fund of America	0		0.00	0.00	0.00	0%
Investment Company of America	1/1	map Fidelity Lg Blend	1,980.78	875.37	2,856.15	0.8%
Total Stock Market Index Fund	0		0.00	0.00	0.00	0%
U.S. Growth Fund	0		0.00	0.00	0.00	0%
Utilities Fund	0		0.00	0.00	0.00	0%
Vanguard Growth Index Fund	0		0.00	0.00	0.00	0%
Vanguard Tot Wld Stk Index ETF	0		0.00	0.00	0.00	0%
Vanguard Value Index Fund	0		0.00	0.00	0.00	0%
Victory Diversified Stock	0		0.00	0.00	0.00	0%
Washington Mutual Investors	0		0.00	0.00	0.00	0%
Growth & Income						
American Balanced Fund	0		0.00	0.00	0.00	0%
Capital World Bond Fund	0		0.00	0.00	0.00	0%
Federated High Yield Bond	0		0.00	0.00	0.00	0%
Global Bond Fund	0		0.00	0.00	0.00	0%
High Yield Fund	0		0.00	0.00	0.00	0%
Alternative Asset Allocation	0		0.00	0.00	0.00	0%
MFS Emerging Markets Debt	0		0.00	0.00	0.00	0%
Oppenheimer Int'l Bond	0		0.00	0.00	0.00	0%
Pax World Balanced Fund	1/1	Map American Balanced	3,656.72	203.88	3,860.60	1.09%
PIMCO All Asset All Authority	0		0.00	0.00	0.00	0%
PIMCO All Asset	0		0.00	0.00	0.00	0%
PIMCO Global Bond	1/1	map Franklin Templeton Global Bond	2,117.76	493.84	1,611.60	0.45%
Strategic Income Opp Fund	1/1	map Fidelity Bond	2,271.19	1,003.94	3,275.13	0.92%
T. Rowe Price Spectrum Inc	0		0.00	0.00	0.00	0%
Templeton Global Bond Fund	0		0.00	0.00	0.00	0%
U.S. High Yield Bond Fund	0		0.00	0.00	0.00	0%
Income						
Core Bond Fund	0		0.00	0.00	0.00	0%
DFA Inflation-Protected Sec	0		0.00	0.00	0.00	0%
Fidelity Advisor Total Bond	1/1	map Fidelity Int. US Bond	6,034.92	2,514.28	8,549.20	2.41%
John Hancock Bond Fund	0		0.00	0.00	0.00	0%
JPMorgan Core Bond Fund	0		0.00	0.00	0.00	0%
PIMCO Real Return	1/1		3,523.56	1,535.30	5,058.86	1.42%
Real Return Bond Fund	0		0.00	0.00	0.00	0%
Total Bond Market Fund	0		0.00	0.00	0.00	0%
US Government Securities	0		0.00	0.00	0.00	0%
Conservative						
John Hancock Stable Val	1/1	Return	787.33	533.85	1,321.19	0.37%
10-Year Compound	0		0.00	0.00	0.00	0%

If you have any questions regarding the information shown here please refer to the 'Getting help' section or contact your John Hancock USA Client Account Representative.

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G-PS 24432



SUSTAINABLE ENERGY FUND | Contract: 56139

contract investment options

Returns for the John Hancock Multimanager Aggressive Lifestyle Portfolio presented on our websites from October 4, 2017 to October 13, 2017 were understated. This information has now been corrected. There was no impact to any participant's actual investment performance, account balance or personal rate of return.

The performance data presented represents past performance. Past performance is no guarantee of future results and current performance may be lower or higher than the performance quoted. An investment in a sub-account will fluctuate in value to reflect the value of the sub-account's underlying securities and, when redeemed, may be worth more or less than original cost. Performance does not reflect any applicable contract-level or certain participant-level charges, fees for guaranteed benefits if elected by participant, or any redemption fees imposed by an underlying mutual fund company, collective trust or ETF. These charges, if included, would otherwise reduce the total return for a participant's account. For month-end performance, participants please call 1-800-395-1113, plan sponsors please call 1-800-333-0963 and for financial representatives please call 1-877-346-8378. Hypothetical returns are shown in bold.

Some Funds may be marked with a ".". In these cases, the underlying fund (the mutual fund, collective trust, or exchanged traded fund ("ETF") in which the investment option invests) has either waived a portion of, or capped, its fees. The Expense Ratio (ER) for these funds is that of the sub account and reflects the net expense ratio of the underlying fund after such expense waiver or cap. Please see the Fund Sheet for details, including gross expenses.

Shown: Selected investment options

Contract Investment Options as of July 27, 2018 **Option View by Investment Category**
Asset Allocation - Target Date

Investment Option	Manager or Sub-Adviser ³	Unit Values as of: July 27, 2018			Returns* (%) as of: June 30, 2018			Returns* (%) as of: June 30, 2018 Monthly					Returns* (%) as of: June 30, 2018 Quarterly					As of: June 30, 2018 Expense Ratio** (%)	Morningstar Category ⁷
		Unit Value ⁴⁶	Daily Change (\$)	Daily Change (%)	1mth	3mth	YTD	1Yr	3Yr	5Yr	10Yr	Since Inception	1Yr	3Yr	5Yr	10Yr	Since Inception		
American Century 2060 157 114	American Century	13.62	-0.07	-0.53	-0.58	0.98	1.03	10.22	-	-	-	11.25	10.22	-	-	-	11.25	1.17	Target-date 2060+
American Century 2055 114 125	American Century	17.81	-0.08	-0.45	-0.56	0.88	0.91	9.99	7.26	9.08	-	8.13	9.99	7.25	9.08	-	8.13	1.17	Target-date 2055
American Century 2050 114 125	American Century	17.20	-0.07	-0.41	-0.46	0.96	0.91	9.73	7.11	8.85	6.93	6.18	9.73	7.11	8.85	6.93	6.18	1.17	Target-date 2050
American Century 2045 114 125	American Century	21.44	-0.08	-0.39	-0.44	0.93	0.88	9.12	6.77	8.56	6.78	6.03	9.12	6.77	8.56	6.78	6.03	1.15	Target-date 2045
American Century 2040 114 125	American Century	16.66	-0.07	-0.43	-0.40	0.91	0.72	8.33	6.27	7.98	6.66	5.97	8.33	6.27	7.98	6.66	5.97	1.11	Target-date 2040
American Century 2035 114 125	American Century	19.81	-0.05	-0.30	-0.28	0.81	0.57	7.45	5.83	7.39	6.16	6.89	7.45	5.83	7.39	6.16	6.89	1.09	Target-date 2035
American Century 2030 114 125	American Century	15.46	-0.04	-0.30	-0.27	0.66	0.31	6.60	5.39	6.79	5.89	5.30	6.60	5.39	6.79	5.89	5.30	1.06	Target-date 2030
American Century 2025 114 125	American Century	17.76	-0.03	-0.20	-0.24	0.56	0.18	5.85	4.98	6.23	5.62	6.24	5.85	4.98	6.23	5.62	6.24	1.04	Target-date 2025
American Century 2020 114 125	American Century	14.69	-0.02	-0.16	-0.12	0.68	0.25	5.29	4.62	5.73	5.45	4.94	5.29	4.62	5.73	5.45	4.94	1.02	Target-date 2020
American Century In Retirement 114 126 126	American Century	15.47	-0.03	-0.22	-0.14	0.69	0.24	4.94	4.41	5.30	5.24	5.30	4.94	4.41	5.30	5.24	5.30	1.02	Target-date Retirement
American Funds 2060 TD 114 151 185	American Funds	13.39	-0.06	-0.46	0.03	1.76	2.19	12.52	9.22	-	-	8.70	12.52	9.22	-	-	8.70	1.05	Target-date 2060+
American Funds 2055 TD 114 151 185	American Funds	20.74	-0.09	-0.45	0.00	1.79	2.18	12.57	9.23	10.47	-	10.61	12.57	9.23	10.47	-	10.61	1.02	Target-date 2055
American Funds 2050 TD 114 151 185	American Funds	15.75	-0.08	-0.50	-0.05	1.75	2.13	12.60	9.24	10.49	7.82	6.66	12.60	9.24	10.49	7.82	6.66	1.02	Target-date 2050
American Funds 2045 TD 114 151 185	American Funds	17.08	-0.08	-0.49	-0.05	1.70	2.02	12.32	9.12	10.42	7.79	6.63	12.32	9.12	10.42	7.79	6.63	1.01	Target-date 2045
American Funds 2040 TD 114 151 185	American Funds	16.82	-0.07	-0.44	-0.05	1.67	1.93	12.00	8.89	10.25	7.72	6.57	12.00	8.89	10.25	7.72	6.57	1.01	Target-date 2040
American Funds 2035 TD 114 151 185	American Funds	16.36	-0.06	-0.39	-0.05	1.51	1.71	11.27	8.55	9.96	7.55	6.42	11.27	8.55	9.96	7.55	6.42	1.00	Target-date 2035

John Hancock USA - Contract investment options

American Funds 2030 TD 114 151 185	American Funds	15.75	-0.05	-0.34	0.02	1.23	1.08	9.37	7.52	9.22	7.23	6.13	9.37	7.52	9.22	7.23	6.13	0.99	Target-date 2030
American Funds 2025 TD 114 151 185	American Funds	14.50	-0.03	-0.22	0.10	0.96	0.51	7.35	6.50	8.11	6.52	5.51	7.35	6.50	8.11	6.52	5.51	0.97	Target-date 2025
American Funds 2020 TD 114 151 185	American Funds	13.45	-0.02	-0.16	0.11	0.80	0.02	5.65	5.60	6.97	5.70	4.84	5.65	5.60	6.97	5.70	4.84	0.95	Target-date 2020
American Funds 2015 TD 114 151 185	American Funds	12.36	-0.01	-0.09	0.12	0.54	-0.55	4.42	5.00	6.15	5.25	4.52	4.42	5.00	6.15	5.25	4.52	0.93	Target-date 2015
American Funds 2010 TD 114 151 185	American Funds	11.53	-0.01	-0.09	0.04	0.40	-0.75	3.85	4.64	5.56	4.93	4.23	3.85	4.64	5.56	4.93	4.23	0.94	Target-date 2000-2010
JH Multimanager *2060 Lifetime 13 157 179 114	John Hancock	13.51	-0.05	-0.39	-0.42	0.88	0.71	10.23	-	-	-	13.08	10.23	-	-	-	13.08	0.89	Target-date 2060+
JH Multimanager *2055 Lifetime 13 179 114 125	John Hancock	13.98	-0.04	-0.33	-0.45	0.93	0.67	10.32	8.10	-	-	7.58	10.32	8.10	-	-	7.58	1.00	Target-date 2055
JH Multimanager *2050 Lifetime 111 13 179 114 125 97	John Hancock	17.64	-0.06	-0.38	-0.49	0.85	0.60	10.23	8.09	9.53	-	7.88	10.23	8.09	9.53	-	7.88	1.01	Target-date 2050
JH Multimanager *2045 Lifetime 111 13 179 125 114	John Hancock	20.58	-0.08	-0.40	-0.44	0.91	0.74	10.35	8.14	9.54	6.86	6.14	10.35	8.14	9.54	6.86	6.14	1.00	Target-date 2045
JH Multimanager *2040 Lifetime 111 13 179 114 125	John Hancock	20.56	-0.08	-0.40	-0.44	0.81	0.64	10.18	8.05	9.49	6.85	6.13	10.18	8.05	9.49	6.85	6.13	1.00	Target-date 2040
JH Multimanager *2035 Lifetime 111 13 179 125 114	John Hancock	20.23	-0.06	-0.32	-0.44	0.66	0.41	9.35	7.58	9.18	6.69	5.99	9.35	7.58	9.18	6.69	5.99	1.00	Target-date 2035
JH Multimanager *2030 Lifetime 111 13 179 114 125	John Hancock	19.48	-0.06	-0.34	-0.38	0.52	0.17	8.21	6.99	8.61	6.35	5.66	8.21	6.99	8.61	6.35	5.66	0.98	Target-date 2030
JH Multimanager *2025 Lifetime 111 13 179 125 114	John Hancock	18.89	-0.05	-0.27	-0.39	0.36	-0.09	6.90	6.33	7.84	6.11	5.41	6.90	6.33	7.84	6.11	5.41	0.98	Target-date 2025
JH Multimanager *2020 Lifetime 111 13 179 114 125	John Hancock	18.32	-0.03	-0.19	-0.32	0.19	-0.38	5.53	5.55	6.88	5.76	5.16	5.53	5.55	6.88	5.76	5.16	0.98	Target-date 2020
JH Multimanager *2015 Lifetime 111 13 179 114 125	John Hancock	17.66	-0.01	-0.10	-0.24	-0.10	-0.82	4.21	4.82	5.93	5.39	4.85	4.21	4.82	5.93	5.39	4.85	0.98	Target-date 2015
JH Multimanager *2010 Lifetime 111 57 13 179 125 114	John Hancock	17.30	0.00	0.00	-0.25	-0.22	-0.97	3.41	4.35	5.29	5.20	4.69	3.41	4.35	5.29	5.20	4.69	0.87	Target-date 2000-2010
JH Multi-Index 2060 Lifetime 13 157 179 114	John Hancock	13.39	-0.04	-0.31	-0.44	0.88	0.14	9.75	-	-	-	12.50	9.75	-	-	-	12.50	0.77	Target-date 2060+
JH Multi-Index 2055 Lifetime 13 179 114 126	John Hancock	14.18	-0.05	-0.40	-0.43	0.82	0.07	9.81	8.33	-	-	7.87	9.81	8.33	-	-	7.87	0.77	Target-date 2055
JH Multi-Index 2050 Lifetime 13 179 114 126	John Hancock	14.29	-0.05	-0.39	-0.43	0.80	0.14	9.77	8.30	-	-	8.29	9.77	8.30	-	-	8.29	0.77	Target-date 2050
JH Multi-Index 2045 Lifetime 13 179 114 126	John Hancock	14.26	-0.05	-0.40	-0.44	0.81	0.06	9.76	8.29	-	-	8.23	9.76	8.29	-	-	8.23	0.77	Target-date 2045
JH Multi-Index 2040 Lifetime 13 179 114 126	John Hancock	14.26	-0.05	-0.40	-0.44	0.80	0.06	9.61	8.29	-	-	8.26	9.61	8.29	-	-	8.26	0.77	Target-date 2040
JH Multi-Index 2035 Lifetime 13 179 114 126	John Hancock	14.03	-0.04	-0.32	-0.44	0.65	-0.09	8.80	7.74	-	-	7.87	8.80	7.74	-	-	7.87	0.77	Target-date 2035
JH Multi-Index 2030 Lifetime 13 179 114 126	John Hancock	13.69	-0.04	-0.33	-0.36	0.59	-0.26	7.72	7.15	-	-	7.35	7.72	7.15	-	-	7.35	0.78	Target-date 2030
JH Multi-Index 2025 Lifetime 13 179 114 126	John Hancock	13.28	-0.03	-0.26	-0.28	0.53	-0.44	6.45	6.42	-	-	6.68	6.45	6.42	-	-	6.68	0.80	Target-date 2025
JH Multi-Index 2020 Lifetime 13 179 114 126	John Hancock	12.79	-0.02	-0.18	-0.21	0.44	-0.63	5.13	5.57	-	-	5.86	5.13	5.57	-	-	5.86	0.81	Target-date 2020
JH Multi-Index 2015 Lifetime 13 179 114 126	John Hancock	12.35	-0.02	-0.18	-0.21	0.27	-0.84	3.91	4.83	-	-	5.08	3.91	4.83	-	-	5.08	0.82	Target-date 2015
JH Multi-Index 2010 Lifetime 13 179 114 126	John Hancock	12.08	-0.01	-0.09	-0.04	0.27	-1.05	3.13	4.36	-	-	4.62	3.13	4.36	-	-	4.62	0.82	Target-date 2000-2010
JH Multi-Index 2060 Preserv 13 157 179 114	John Hancock	13.12	-0.04	-0.32	-0.51	0.73	-0.09	8.85	-	-	-	11.54	8.85	-	-	-	11.54	0.78	Target-date 2060+
JH Multi-Index 2055 Preserv 13 179 114 126	John Hancock	13.78	-0.03	-0.25	-0.53	0.76	-0.01	8.91	7.61	-	-	7.18	8.91	7.61	-	-	7.18	0.79	Target-date 2055
JH Multi-Index 2050 Preserv 111 13 179 114 125 97	John Hancock	17.32	-0.06	-0.37	-0.55	0.74	-0.03	8.87	7.60	8.63	-	7.60	8.87	7.60	8.63	-	7.60	0.79	Target-date 2050
JH Multi-Index 2045 Preserv 111 2 13 179 125 114	John Hancock	19.74	-0.06	-0.33	-0.50	0.72	-0.05	8.80	7.55	8.62	-	8.36	8.80	7.55	8.62	-	8.36	0.78	Target-date 2045
JH Multi-Index 2040 Preserv 111 13 2 179 114 125	John Hancock	19.59	-0.05	-0.26	-0.50	0.66	-0.11	8.40	7.29	8.42	-	8.26	8.40	7.29	8.42	-	8.26	0.77	Target-date 2040
JH Multi-Index 2035																			Target-date

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*Preserv 111 2 13 179 125 114 JH Multi-Index 2030	John Hancock	18.98	-0.05	-0.27	-0.44	0.54	-0.32	7.44	6.73	7.90	-	7.87	7.44	6.73	7.90	-	7.87	0.77	2035
*Preserv 111 13 2 179 114 125 JH Multi-Index 2025	John Hancock	17.95	-0.03	-0.21	-0.39	0.34	-0.61	5.86	5.78	7.02	-	7.19	5.86	5.78	7.02	-	7.19	0.77	Target-date 2030
*Preserv 111 2 13 179 125 114 JH Multi-Index 2020	John Hancock	16.38	-0.01	-0.08	-0.26	0.14	-0.95	3.61	4.31	5.56	-	6.07	3.61	4.31	5.56	-	6.07	0.76	Target-date 2025
*Preserv 111 13 2 179 114 125 JH Multi-Index Income	John Hancock	14.54	-0.01	-0.09	-0.21	-0.10	-1.48	1.02	2.65	3.81	-	4.61	1.02	2.65	3.81	-	4.61	0.76	Target-date 2020
*Preserv 111 155 13 2 179 114 125 153 T. Rowe Price	John Hancock	13.17	0.00	0.00	-0.03	0.08	-0.92	0.46	1.80	2.50	-	3.37	0.46	1.80	2.50	-	3.37	0.79	Target-date Retirement
Retirement 2060 157 114 T. Rowe Price	T. Rowe Price	13.10	-0.05	-0.40	-0.04	0.87	1.18	10.19	8.32	-	-	7.11	10.19	8.32	-	-	7.11	1.19	Target-date 2060+
Retirement 2055 114 126 T. Rowe Price	T. Rowe Price	18.46	-0.06	-0.37	-0.10	0.84	1.12	10.12	8.30	10.15	7.82	6.39	10.12	8.30	10.15	7.82	6.39	1.19	Target-date 2055
Retirement 2050 114 126 T. Rowe Price	T. Rowe Price	18.65	-0.06	-0.37	-0.10	0.78	1.12	10.14	8.32	10.14	7.83	6.40	10.14	8.32	10.14	7.83	6.40	1.19	Target-date 2050
Retirement 2045 114 126 T. Rowe Price	T. Rowe Price	22.28	-0.08	-0.37	-0.04	0.86	1.18	10.17	8.32	10.15	7.83	7.52	10.17	8.32	10.15	7.83	7.52	1.19	Target-date 2045
Retirement 2040 114 126 T. Rowe Price	T. Rowe Price	33.24	-0.11	-0.35	-0.07	0.76	1.02	9.87	8.13	10.02	7.77	9.24	9.87	8.13	10.02	7.77	9.24	1.19	Target-date 2040
Retirement 2035 114 126 T. Rowe Price	T. Rowe Price	22.81	-0.07	-0.31	-0.04	0.73	0.88	9.26	7.80	9.65	7.54	7.22	9.26	7.80	9.65	7.54	7.22	1.17	Target-date 2035
Retirement 2030 114 126 T. Rowe Price	T. Rowe Price	31.17	-0.08	-0.26	-0.08	0.62	0.66	8.50	7.39	9.13	7.28	8.92	8.50	7.39	9.13	7.28	8.92	1.14	Target-date 2030
Retirement 2025 114 126 T. Rowe Price	T. Rowe Price	20.69	-0.05	-0.28	-0.04	0.45	0.40	7.55	6.79	8.40	6.90	6.73	7.55	6.79	8.40	6.90	6.73	1.12	Target-date 2025
Retirement 2020 114 126 T. Rowe Price	T. Rowe Price	26.75	-0.05	-0.22	-0.08	0.33	0.13	6.54	6.15	7.57	6.50	8.10	6.54	6.15	7.57	6.50	8.10	1.08	Target-date 2020
Retirement 2015 114 126 T. Rowe Price	T. Rowe Price	18.19	-0.02	-0.13	-0.03	0.29	-0.09	5.41	5.40	6.63	6.00	5.97	5.41	5.40	6.63	6.00	5.97	1.04	Target-date 2015
Retirement 2010 114 126 T. Rowe Price	T. Rowe Price	22.05	-0.02	-0.11	-0.09	0.11	-0.38	4.47	4.79	5.72	5.45	6.98	4.47	4.79	5.72	5.45	6.98	1.02	Target-date 2000-2010

Asset Allocation - Target Risk

Investment Option	Manager or Sub-Adviser ³	Unit Values as of: July 27, 2018			Returns* (%) as of: June 30, 2018			Returns* (%) as of: June 30, 2018 Monthly					Returns* (%) as of: June 30, 2018 Quarterly					As of: June 30, 2018 Expense Ratio** (%)	Morningstar Category ⁷
		Unit Value ⁴⁶	Daily Change (\$)	Daily Change (%)	1mth	3mth	YTD	1Yr	3Yr	5Yr	10Yr	Inception	1Yr	3Yr	5Yr	10Yr	Inception		
JH Multimanager Aggressive LS 13 179 125	John Hancock	641.71	-3.01	-0.47	-0.54	0.95	1.11	11.54	8.22	10.02	6.80	5.31	11.54	8.22	10.02	6.80	5.31	1.13	Allocation-85%+ Equity
JH Multimanager Growth LS 123 13 179 125	John Hancock	586.43	-2.13	-0.36	-0.44	0.60	0.52	9.00	7.00	8.68	6.75	5.75	9.00	7.00	8.68	6.75	5.75	1.08	Allocation-70% To 85% Equity
JH Multimanager Balanced LS 13 123 179 125 9	John Hancock	382.89	-0.99	-0.26	-0.26	0.38	0.01	6.61	5.86	7.07	6.22	5.83	6.61	5.86	7.07	6.22	5.83	1.05	Allocation-50% To 70% Equity
JH Multimanager Moderate LS 13 179 125 31	John Hancock	275.75	-0.20	-0.07	-0.19	-0.13	-0.84	3.76	4.50	5.30	5.72	5.64	3.76	4.50	5.30	5.72	5.64	1.02	Allocation-30% To 50% Equity
JH Multimanager Conserv LS 13 179 125	John Hancock	275.40	0.21	0.08	-0.20	-0.60	-1.46	1.38	3.07	3.58	4.87	5.34	1.38	3.07	3.58	4.87	5.34	1.01	Allocation-15% To 30% Equity
JH Multi-Index LS Aggressive 13 179 126 91	John Hancock	14.56	-0.05	-0.38	-0.48	1.03	0.36	10.94	8.92	-	-	7.99	10.94	8.92	-	-	7.99	0.76	Allocation-85%+ Equity
JH Multi-Index LS Growth 13 179 126 91	John Hancock	13.81	-0.04	-0.32	-0.33	0.81	-0.04	8.42	7.45	-	-	6.85	8.42	7.45	-	-	6.85	0.77	Allocation-70% To 85% Equity
JH Multi-Index LS Balanced 13 179 126 91	John Hancock	13.06	-0.03	-0.26	-0.22	0.64	-0.34	6.01	6.03	-	-	5.69	6.01	6.03	-	-	5.69	0.79	Allocation-50% To 70% Equity

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JH Multi-Index LS Moderate 13 179 126 91	John Hancock	12.28	-0.02	-0.18	-0.11	0.33	-0.94	3.50	4.57	-	-	4.40	3.50	4.57	-	-	4.40	0.82	Allocation-30% To 50% Equity
JH Multi-Index LS Conserv 13 179 126 91	John Hancock	11.63	-0.01	-0.10	-0.03	0.06	-1.39	1.27	3.20	-	-	3.31	1.27	3.20	-	-	3.31	0.83	Allocation-15% To 30% Equity
JH Managed Volatility Agg 13 126 127 186	John Hancock	13.55	-0.06	-0.48	-0.33	1.42	1.31	11.88	5.73	7.15	5.44	4.95	11.88	5.73	7.15	5.44	4.95	1.03	Allocation-70% To 85% Equity
JH Managed Volatility Growth 13 126 127 186	John Hancock	17.43	-0.05	-0.33	-0.21	1.08	0.51	9.07	5.21	6.11	5.26	5.40	9.07	5.21	6.11	5.26	5.40	0.92	Allocation-70% To 85% Equity
JH Managed Volatility Bal 13 126 127 186	John Hancock	16.93	-0.03	-0.23	-0.08	0.76	0.11	6.45	4.77	5.79	5.17	5.69	6.45	4.77	5.79	5.17	5.69	0.90	Allocation-50% To 70% Equity
JH Managed Volatility Mod 13 126 127 186	John Hancock	16.94	-0.02	-0.16	-0.01	0.80	0.04	5.29	4.69	5.59	5.47	5.81	5.29	4.69	5.59	5.47	5.81	0.89	Allocation-30% To 50% Equity
JH Managed Volatility Con 13 126 127 186	John Hancock	14.86	0.00	0.00	-0.01	0.24	-0.74	2.46	3.46	4.04	4.65	5.50	2.46	3.46	4.04	4.65	5.50	0.88	Allocation-15% To 30% Equity

Aggressive Growth

Investment Option	Manager or Sub-Adviser ³	Unit Values as of: July 27, 2018			Returns* (%) as of: June 30, 2018			Returns* (%) as of: June 30, 2018 Monthly					Returns* (%) as of: June 30, 2018 Quarterly					As of: June 30, 2018 Expense Ratio** (%)	Morningstar Category ⁷
		Unit Value ^{4,6}	Daily Change (\$)	(%)	1mth	3mth	YTD	1Yr	3Yr	5Yr	10Yr	Since Inception	1Yr	3Yr	5Yr	10Yr	Since Inception		
Aberdeen International Equity 113	Aberdeen	16.89	0.11	0.66	-0.62	-3.44	-4.98	2.06	2.85	2.53	0.80	3.73	2.06	2.85	2.53	0.80	3.73	1.32	Foreign Large Blend
American Century Heritage 87 54	American Century	43.74	-0.70	-1.59	0.19	1.88	4.45	14.31	7.39	11.05	7.76	11.23	14.31	7.39	11.05	7.76	11.23	1.26	Mid-cap Growth
AMG Managers Fairpointe MidCap 178 103 87	Fairpointe	65.22	-0.44	-0.67	0.34	0.66	-3.96	1.74	5.75	8.79	9.16	11.74	1.74	5.75	8.79	9.16	11.74	1.44	Mid-cap Blend
Baird MidCap Fund 134	Baird	21.18	-0.37	-1.76	0.40	2.31	6.64	16.31	9.32	11.05	10.51	7.08	16.31	9.32	11.05	10.51	7.08	1.29	Mid-cap Growth
DFA Emerging Markets Value	DFA	48.92	0.17	0.36	-5.50	-9.35	-7.45	5.10	5.35	3.95	1.52	10.49	5.10	5.35	3.95	1.52	10.49	1.17	Diversified Emerging Markets
DFA Intl Small Cap Value 150	DFA	24.99	0.10	0.41	-2.61	-3.63	-5.94	4.76	6.55	9.44	5.48	7.16	4.76	6.55	9.44	5.48	7.16	1.28	Foreign Small/mid Value
DFA International Value	DFA	28.12	0.12	0.46	-2.33	-3.44	-4.88	8.29	3.99	5.95	2.10	5.96	8.29	3.99	5.95	2.10	5.96	1.03	Foreign Large Value
DFA US Targeted Value Fund 25	DFA	37.83	-0.46	-1.22	-0.07	5.87	3.40	13.39	8.69	10.58	10.12	11.13	13.39	8.69	10.58	10.12	11.13	0.97	Small Value
DFA U.S. Small Cap Fund 31 54	DFA	56.98	-0.93	-1.62	0.81	6.84	5.06	14.62	9.72	11.56	11.24	10.60	14.62	9.72	11.56	11.24	10.60	0.97	Small Blend
Diamond Hill Small-Mid Cap 134	Diamond Hill	24.98	-0.21	-0.87	0.57	2.75	1.43	6.18	7.45	10.24	10.21	8.76	6.18	7.45	10.24	10.21	8.76	1.32	Mid-cap Value
EuroPacific Growth Fund 39 61 40 41 65	American Funds	87.57	0.03	0.03	-2.38	-2.96	-2.10	8.70	5.87	7.71	4.28	10.50	8.70	5.87	7.71	4.28	10.50	1.08	Foreign Large Growth
Fidelity Adv Leveraged Co Stk 177 3 120	Fidelity	70.03	-0.70	-0.99	-0.77	4.46	1.99	11.50	5.24	8.52	5.65	12.11	11.50	5.24	8.52	5.65	12.11	1.16	Mid-cap Value
Financial Industries Fund 22 12 13 15 91	John Hancock	32.90	-0.02	-0.06	-1.72	-0.49	-0.25	8.82	8.80	10.63	8.31	5.53	8.82	8.80	10.63	8.31	5.53	1.05	Financial
Franklin Small-Mid Growth	Franklin Templeton	103.50	-1.72	-1.64	-0.20	2.30	5.78	15.78	6.87	11.13	9.30	10.39	15.78	6.87	11.13	9.30	10.39	1.05	Mid-cap Growth
Harbor Mid Cap Value Fund 134	Harbor	26.08	-0.16	-0.63	-0.60	0.87	-1.69	6.71	6.48	10.57	10.70	7.67	6.71	6.48	10.57	10.70	7.67	1.34	Mid-cap Value
Intl Equity Index Fund 110 187 22 13 15 29 91	SSgA	22.10	0.04	0.22	-2.01	-3.40	-3.85	6.31	4.52	5.49	2.07	5.74	6.31	4.52	5.49	2.07	5.74	0.76	Foreign Large Blend
Intl Small Cap Fund 13 41	Franklin Templeton	48.28	0.04	0.09	-2.85	-3.54	-1.51	9.73	5.89	7.68	5.31	6.24	9.73	5.89	7.68	5.31	6.24	1.21	Foreign Small/mid Value
International Value Fund 23 13 9	Franklin Templeton	28.86	0.11	0.41	-1.55	-0.74	-3.60	1.48	3.70	4.82	2.95	4.55	1.48	3.70	4.82	2.95	4.55	1.02	Foreign Large Value
Invesco International Growth 110 57 53	Invesco	23.03	0.11	0.51	-1.72	-4.89	-5.90	1.19	2.65	5.52	1.15	4.55	1.19	2.65	5.52	1.15	4.55	1.24	Foreign Large Growth
Invesco Small Cap Growth 87 57 130	Invesco	66.58	-1.30	-1.92	-0.09	6.48	9.45	23.88	11.30	14.46	11.91	11.10	23.88	11.30	14.46	11.91	11.10	1.07	Small Growth
iShares Gold Trust ETF 139 118 119	iShares	9.22	0.00	0.00	-3.87	-5.67	-4.22	-0.04	1.42	0.20	2.24	7.45	-0.04	1.42	0.20	2.24	7.45	0.91	Commodities Precious Metals
iShares MSCI EAFE Growth ETF 139 118 119 78	iShares	12.29	0.02	0.19	-1.49	-0.96	-1.63	7.46	5.26	6.02	2.45	4.73	7.46	5.26	6.02	2.45	4.73	1.06	Foreign Large Growth

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iShares MSCI EAFE Value ETF 139 118 119 76	iShares	11.05	0.04	0.40	-1.46	-3.37	-4.67	2.83	2.47	4.54	1.46	3.16	2.83	2.47	4.54	1.46	3.16	1.05	Foreign Large Value
JH Disciplined Value Intl Fund 13 79 159	Robeco	23.03	0.03	0.14	-0.74	-2.55	-4.84	5.18	1.84	4.89	1.80	2.76	5.18	1.84	4.89	1.80	2.76	1.08	Foreign Large Blend
John Hancock Intl Growth 13 71	Wellington	47.42	-0.19	-0.41	-2.67	-1.50	1.68	14.53	9.13	10.68	6.30	6.14	14.53	9.13	10.68	6.30	6.14	1.03	Foreign Large Growth
JPMorgan Intrepid Mid Cap 134	J.P. Morgan	33.42	-0.32	-0.97	0.06	1.56	0.88	11.07	7.45	11.09	8.93	10.25	11.07	7.45	11.09	8.93	10.25	1.24	Mid-cap Blend
JPMorgan MidCap Value Fund 12 71 32	J.P. Morgan	65.90	-0.33	-0.51	1.24	1.44	-0.42	6.20	7.17	10.33	10.14	12.07	6.20	7.17	10.33	10.14	12.07	1.25	Mid-cap Blend
Keeley Small Cap Value 7	Keeley	44.73	-0.65	-1.45	0.42	6.10	4.16	9.73	4.72	6.05	4.11	11.37	9.73	4.72	6.05	4.11	11.37	1.50	Small Blend
Lazard International Equity 138	Lazard	19.95	0.04	0.20	-1.34	-2.61	-2.90	6.10	2.11	5.10	3.61	5.54	6.10	2.11	5.10	3.61	5.54	1.21	Foreign Large Blend
Lord Abbett Value Opps Fund 154 177 67	Lord Abbett	31.83	-0.32	-1.00	0.14	2.89	0.20	6.83	6.19	9.68	9.80	10.16	6.83	6.19	9.68	9.80	10.16	1.25	Mid-cap Blend
Mid Cap Index Fund 22 13 57 48 91 183	John Hancock	58.96	-0.66	-1.11	0.36	4.11	3.16	12.79	10.16	11.99	10.20	9.04	12.79	10.16	11.99	10.20	9.04	0.67	Mid-cap Blend
Mid Cap Stock Fund 23 13 90 41	Wellington	50.09	-1.00	-1.96	1.21	7.52	12.63	22.78	11.16	13.70	9.31	7.78	22.78	11.16	13.70	9.31	7.78	1.03	Mid-cap Growth
Mid Value Fund 22 13 91 41 53 31	T. Rowe Price	38.51	-0.22	-0.58	1.61	3.97	3.14	11.51	10.03	11.96	10.60	9.00	11.51	10.03	11.96	10.60	9.00	1.15	Mid-cap Value
Natural Resources Fund 13 38	Jennison	32.13	-0.12	-0.38	-1.74	6.95	1.98	21.49	2.05	-3.03	-6.41	5.98	21.49	2.05	-3.03	-6.41	5.98	1.13	Natural Resources
New Opportunities Fund 13 123 38 149 41	DFA & Invesco	54.35	-0.91	-1.66	0.92	7.58	6.36	17.02	9.69	11.04	10.09	9.70	17.02	9.69	11.04	10.09	9.70	1.08	Small Blend
New World Fund 37 81 185 65	American Funds	79.24	-0.19	-0.24	-2.65	-4.00	-2.85	9.80	6.81	6.09	3.38	7.82	9.80	6.81	6.09	3.38	7.82	1.24	Diversified Emerging Markets
Northern EM Equity Index Fund 126	Northern Trust	13.15	0.00	0.00	-4.28	-9.02	-7.29	6.96	4.72	4.23	1.13	3.20	6.96	4.72	4.23	1.13	3.20	0.75	Diversified Emerging Markets
Northern Small Cap Value Fund 126	Northern Trust	29.94	-0.44	-1.45	0.31	6.29	3.10	9.66	9.39	11.03	10.05	10.02	9.66	9.39	11.03	10.05	10.02	1.21	Small Value
Oppenheimer Developing Mkt 56 71	Oppenheimer	85.57	-0.40	-0.47	-2.56	-4.11	-1.34	12.07	7.02	5.50	5.35	12.06	12.07	7.02	5.50	5.35	12.06	1.42	Diversified Emerging Markets
Oppenheimer Intl Growth Fund 3 129	Oppenheimer	47.69	0.23	0.48	-3.10	-3.15	-3.08	6.07	4.95	6.16	5.31	6.79	6.07	4.95	6.16	5.31	6.79	1.20	Foreign Large Growth
PIMCO Commodity Real Return 97	PIMCO	4.94	0.00	0.00	-3.44	0.29	-0.25	8.15	-4.72	-6.77	-8.22	0.35	8.15	-4.72	-6.77	-8.22	0.35	1.34	Commodities Broad Basket
Real Est. Securities Fund 13 57 193	Deutsche	96.78	-1.10	-1.12	3.20	7.62	1.08	4.08	8.35	8.09	7.67	9.93	4.08	8.35	8.09	7.67	9.93	0.90	Real Estate
Royce Opportunity 36 39	Royce	42.32	-0.56	-1.32	0.18	6.61	3.84	16.76	11.79	10.97	10.76	11.92	16.76	11.79	10.97	10.76	11.92	1.58	Small Value
Royce Pennsylvania Mutual Fund 97	Royce	23.62	-0.22	-0.96	0.15	4.90	5.49	16.76	10.76	10.20	8.55	8.10	16.76	10.76	10.20	8.55	8.10	1.32	Small Blend
Science & Technology Fund 22 13 57 91	T. Rowe Price & Allianz	64.03	-0.83	-1.29	-0.27	6.13	14.46	32.95	21.27	21.58	14.69	7.75	32.95	21.27	21.58	14.69	7.75	1.25	Technology
Small Cap Index Fund 22 13 29 91	John Hancock	46.37	-0.90	-1.91	0.63	7.62	7.31	16.95	10.48	12.04	10.23	7.97	16.95	10.48	12.04	10.23	7.97	0.69	Small Blend
Small Cap Stock Fund 22 13 91 195 41 53	Wellington	29.77	-0.65	-2.14	0.08	8.33	11.30	24.11	7.41	11.20	9.58	6.66	24.11	7.41	11.20	9.58	6.66	1.22	Small Growth
Small Cap Value Fund 22 23 13 91 53	Wellington	64.58	-0.75	-1.18	0.23	8.05	3.65	10.34	7.30	10.19	10.61	12.57	10.34	7.30	10.19	10.61	12.57	1.26	Small Blend
Small Company Value Fund 13	T. Rowe Price	66.26	-0.97	-1.45	0.81	5.96	3.29	13.40	12.62	10.89	9.44	8.24	13.40	12.62	10.89	9.44	8.24	1.38	Small Blend
SMALLCAP World Fund 37 61 194 185 65	American Funds	79.08	-0.61	-0.77	-0.40	3.03	4.35	15.25	8.49	11.16	8.18	9.70	15.25	8.49	11.16	8.18	9.70	1.29	World Small/mid Stock
T. Rowe Price Overseas Stock 138 194 141	T. Rowe Price	11.90	0.03	0.26	-1.38	-1.65	-2.02	7.37	4.93	6.65	3.42	2.56	7.37	4.93	6.65	3.42	2.56	1.27	Foreign Large Blend
T. Rowe Price Sci & Tech	T. Rowe Price	141.82	-0.91	-0.64	0.24	5.50	11.09	27.45	21.17	21.28	13.92	12.07	27.45	21.17	21.28	13.92	12.07	1.25	Technology
T. Rowe Price Smi Cap Val 12 59 130	T. Rowe Price	121.68	-1.77	-1.44	0.75	5.89	4.07	13.59	12.57	11.02	9.82	11.61	13.59	12.57	11.02	9.82	11.61	1.36	Small Blend
Tocqueville Gold Fund 123 118	Tocqueville	32.78	-0.15	-0.48	-2.35	-0.26	-7.01	-5.72	4.41	-0.60	-2.69	9.14	-5.72	4.41	-0.60	-2.69	9.14	1.49	Equity Precious Metals
Undiscovered Mgr Behavioral 134	J.P. Morgan	83.02	-0.75	-0.91	0.74	6.88	3.34	13.74	10.87	12.33	13.85	12.09	13.74	10.87	12.33	13.85	12.09	1.49	Small Value
Vanguard Energy Fund 34 125 120	Vanguard	105.30	-0.47	-0.44	-0.04	8.81	6.04	21.15	5.00	1.83	-1.34	10.29	21.15	5.00	1.83	-1.34	10.29	0.90	Equity Energy
Vanguard Explorer Fund 125 39 120	Vanguard	231.96	-4.56	-1.93	0.82	7.01	11.32	22.93	10.96	12.84	10.52	9.54	22.93	10.96	12.84	10.52	9.54	0.92	Small Growth
Vanguard Mid-Cap Growth ETF 123 139 118 119	Vanguard	15.76	-0.28	-1.75	0.93	3.69	5.22	14.25	8.24	11.20	8.19	8.33	14.25	8.24	11.20	8.19	8.33	0.73	Mid-cap Growth
Vanguard Mid-Cap																			

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Value ETF 123 139 118 119	Vanguard	15.53	-0.05	-0.35	0.91	1.28	-0.38	8.80	8.60	11.21	10.20	8.15	8.80	8.60	11.21	10.20	8.15	0.73	Mid-cap Value
Vanguard Small Cap Grow Index 125 41 120	Vanguard	51.11	-0.99	-1.91	1.13	7.18	9.25	20.68	9.93	11.70	10.43	8.66	20.68	9.93	11.70	10.43	8.66	0.67	Small Growth
Vanguard Small Cap Value Index 125 120	Vanguard	40.03	-0.41	-1.04	0.30	5.12	2.79	11.85	9.67	11.73	10.59	8.48	11.85	9.67	11.73	10.59	8.48	0.67	Small Value
Wells Fargo Small Company 138 71 194 163	Wells Fargo	61.07	-1.24	-2.00	0.49	8.53	13.51	24.87	8.27	13.36	12.73	9.51	24.87	8.27	13.36	12.73	9.51	1.38	Small Growth
WisdomTree MidCap Dividend ETF 129 139 119 76	WisdomTree	15.16	-0.09	-0.60	1.61	5.19	1.98	11.50	11.04	12.40	11.35	8.95	11.50	11.04	12.40	11.35	8.95	1.04	Mid-cap Value
WisdomTree MC Earnings ETF 126 139 119 76	WisdomTree	14.41	-0.15	-1.09	0.98	3.94	1.47	12.74	8.89	11.63	11.91	8.88	12.74	8.89	11.63	11.91	8.88	1.04	Mid-cap Blend
WisdomTree SC Dividend ETF 126 139 119 76	WisdomTree	14.80	-0.19	-1.29	2.06	8.58	2.80	12.84	10.60	11.27	11.10	7.86	12.84	10.60	11.27	11.10	7.86	1.04	Small Value

Growth

Investment Option	Manager or Sub-Adviser ³	Unit Values as of: July 27, 2018		Returns* (%) as of: June 30, 2018			Returns* (%) as of: June 30, 2018 Monthly					Returns* (%) as of: June 30, 2018 Quarterly					As of: June 30, 2018 Expense Ratio** (%)	Morningstar Category ⁷	
		Unit Value ^{4,6}	Daily Change (%)	1mth	3mth	YTD	1Yr	3Yr	5Yr	10Yr	Since Inception	1Yr	3Yr	5Yr	10Yr	Since Inception			
S&P 500 Index Fund 1107 187 22 13 91.9 76	John Hancock	1911.62	-12.19	-0.67	0.55	3.26	2.28	13.64	11.20	12.73	9.57	8.85	13.64	11.20	12.73	9.57	8.85	0.64	Large Blend
BlackRock Basic Value 87	BlackRock	54.65	0.05	0.11	0.27	2.40	0.13	9.27	5.25	8.88	7.90	11.51	9.27	5.25	8.88	7.90	11.51	0.89	Large Value
BlackRock Global Allocation 57 3 63	BlackRock	30.13	-0.01	-0.05	-0.64	-1.26	-1.74	3.51	3.50	4.96	4.32	9.43	3.51	3.50	4.96	4.32	9.43	1.15	World Allocation
Blue Chip Growth Fund 57 13 90 117 153	T. Rowe Price	82.02	-0.95	-1.16	0.44	5.64	11.65	27.60	16.87	18.48	12.82	9.33	27.60	16.87	18.48	12.82	9.33	0.95	Large Growth
Capital Appreciation Fund 12 57 13 15 115 106	Jennison	33.90	-0.52	-1.52	0.16	6.39	10.98	28.81	15.19	17.98	12.25	6.48	28.81	15.19	17.98	12.25	6.48	0.90	Large Growth
Capital Income Builder 154 37 61 65	American Funds	90.02	-0.04	-0.05	-0.12	-0.23	-3.17	2.15	4.40	5.73	4.57	8.78	2.15	4.40	5.73	4.57	8.78	0.89	World Allocation
Capital World Growth & Income 37 61 65	American Funds	71.92	-0.18	-0.25	-0.99	0.02	0.31	10.51	7.92	9.27	5.96	10.36	10.51	7.92	9.27	5.96	10.36	1.04	World Large Stock
ClearBridge Aggressive Growth 8 19 160 163	Legg Mason	122.45	-1.82	-1.47	2.67	5.48	5.85	11.88	5.83	10.49	9.95	10.40	11.88	5.83	10.49	9.95	10.40	1.22	Large Growth
Dodge & Cox Stock Fund 97	Dodge & Cox	272.48	-0.35	-0.13	1.44	2.63	0.71	11.29	10.39	12.26	9.21	10.67	11.29	10.39	12.26	9.21	10.67	1.02	Large Value
Domini Impact Equity Fund 180 20 64 43	Domini	78.19	-0.71	-0.90	-0.72	-0.22	-0.98	8.32	5.86	9.36	7.84	8.23	8.32	5.86	9.36	7.84	8.23	1.29	Large Blend
Equity Income Fund 13 31 54	T. Rowe Price	69.89	-0.10	-0.14	1.17	1.87	-0.50	9.49	9.14	9.29	8.30	8.81	9.49	9.14	9.29	8.30	8.81	0.94	Large Value
Fidelity Adv Diversified Stock 134	Fidelity	35.67	-0.38	-1.06	-0.16	3.49	5.68	17.82	11.07	12.48	10.31	12.37	17.82	11.07	12.48	10.31	12.37	0.94	Large Blend
Fidelity Adv New Insights 137 7 120	Fidelity	50.14	-0.44	-0.88	0.86	5.42	7.75	21.19	12.93	14.17	9.50	11.44	21.19	12.93	14.17	9.50	11.44	1.03	Large Growth
Fidelity ContraFund	Fidelity	411.74	-3.71	-0.89	0.90	6.18	9.29	23.55	14.48	15.62	10.44	12.85	23.55	14.48	15.62	10.44	12.85	1.09	Large Growth
FT Founding Funds Allocation 7 61	Franklin Templeton	20.73	0.01	0.07	0.25	1.53	-1.33	3.00	4.97	6.47	5.70	6.48	3.00	4.97	6.47	5.70	6.48	1.08	Allocation -70% To 85% Equity
Franklin Mutual Beacon Fund 61 41	Franklin Templeton	217.24	-0.13	-0.06	0.15	0.59	-2.04	2.86	6.23	8.39	6.55	8.11	2.86	6.23	8.39	6.55	8.11	1.13	Allocation -85%+ Equity
Mutual Global Discovery 61	Franklin Templeton	120.94	0.00	0.00	-0.68	1.15	-1.65	1.08	4.34	6.82	6.32	11.25	1.08	4.34	6.82	6.32	11.25	1.31	World Large Stock
Fundamental All Cap Core Fund 22 13 103 5 38 91	John Hancock	57.40	-0.56	-0.98	2.17	4.58	3.59	18.38	11.76	14.71	10.77	10.08	18.38	11.76	14.71	10.77	10.08	0.87	Large Growth
Fundamental Investors 37 61 31 66	American Funds	93.33	-0.65	-0.69	0.57	2.44	1.82	14.08	12.11	12.94	8.83	12.21	14.08	12.11	12.94	8.83	12.21	0.90	Large Blend
Fundamental Large Cap Value 13 102 5 117	John Hancock	214.67	0.09	0.05	-0.35	0.36	-3.37	5.86	6.31	9.48	8.28	7.62	5.86	6.31	9.48	8.28	7.62	0.85	Large Value
Ivy Asset Strategy Fund 33	Ivy	34.04	-0.05	-0.16	-1.08	0.68	1.33	11.14	1.18	3.39	3.16	7.03	11.14	1.18	3.39	3.16	7.03	1.22	World Allocation
John Hancock Disciplined Value 123 106 130 87	Robeco	30.65	-0.01	-0.05	-0.71	-0.46	-2.27	9.38	8.03	10.15	9.80	13.93	9.38	8.03	10.15	9.80	13.93	0.89	Large Value
JPMorgan Large Cap Growth 124 108 130	J.P. Morgan	59.39	-1.03	-1.71	1.30	7.33	12.79	28.35	15.16	17.10	11.32	10.95	28.35	15.16	17.10	11.32	10.95	1.04	Large Growth
JPMorgan U.S. Equity 147 138	J.P. Morgan	20.77	-0.13	-0.63	0.41	2.90	1.74	13.21	10.25	12.93	10.34	9.04	13.21	10.25	12.93	10.34	9.04	0.94	Large Blend

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Fund	Manager	Assets	1M	3M	6M	1Y	3Y	5Y	10Y	Inception	1M	3M	6M	1Y	3Y	5Y	10Y	Inception	Expense Ratio	Morningstar Category
Massachusetts Investors Fund 33	MFS	47.59	-0.31	-0.65	0.42	1.60	1.23	11.58	10.22	12.10	9.31	9.18	11.58	10.22	12.10	9.31	9.18	0.82	Large Blend	
MFS Value Fund 150	MFS	45.77	0.04	0.10	0.29	-0.70	-3.78	3.65	7.98	10.28	8.27	9.92	3.65	7.98	10.28	8.27	9.92	0.94	Large Value	
New Perspective Fund 37 61 65	American Funds	69.71	-0.28	-0.41	0.18	2.24	4.33	14.84	10.72	11.57	8.14	12.09	14.84	10.72	11.57	8.14	12.09	1.04	World Large Stock	
Oppenheimer Global 58 29 194 130	Oppenheimer	89.63	-0.56	-0.63	-0.44	1.74	1.58	15.35	9.25	11.34	8.50	11.64	15.35	9.25	11.34	8.50	11.64	1.24	World Large Stock	
Parnassus Core Equity Fund 33 148	Parnassus	66.32	-0.43	-0.65	1.02	2.57	2.24	11.34	9.58	11.66	10.15	9.69	11.34	9.58	11.66	10.15	9.69	1.12	Large Blend	
Sit Dividend Growth Fund 126	Sit	27.21	-0.11	-0.40	-0.32	0.95	-0.42	10.14	9.58	10.89	9.23	9.33	10.14	9.58	10.89	9.23	9.33	0.90	Large Blend	
T. Rowe Price Equity Inc 31 130 54	T. Rowe Price	79.38	-0.11	-0.15	1.13	1.67	-0.72	9.01	8.87	9.00	8.00	10.46	9.01	8.87	9.00	8.00	10.46	1.10	Large Value	
T. Rowe Price Health Sci 12 57	T. Rowe Price	150.08	-2.33	-1.53	1.53	6.19	7.51	14.80	4.63	18.01	16.72	14.22	14.80	4.63	18.01	16.72	14.22	1.22	Health	
Templeton World 41	Franklin Templeton	62.65	0.17	0.29	0.77	3.60	-0.46	4.77	5.19	6.40	5.36	11.22	4.77	5.19	6.40	5.36	11.22	1.15	World Large Stock	
The Growth Fund of America 154 38 9 61 40 65	American Funds	91.99	-0.80	-0.87	1.46	5.83	8.85	22.05	14.13	15.16	9.80	10.16	22.05	14.13	15.16	9.80	10.16	0.93	Large Growth	
Income Fund of America 177 37 61 65	American Funds	34.18	-0.05	-0.17	-0.11	0.50	-1.59	5.45	6.56	7.44	6.88	10.60	5.45	6.56	7.44	6.88	10.60	0.89	Allocation-70% To 85% Equity	
Investment Company of America 38 160 61 40 65	American Funds	89.13	-0.66	-0.75	0.89	3.29	1.86	12.53	10.67	12.39	8.96	11.43	12.53	10.67	12.39	8.96	11.43	0.90	Large Blend	
Total Stock Market Index Fund 22 13 29 91 172	John Hancock	34.18	-0.28	-0.83	0.68	3.96	3.04	14.27	10.87	12.48	9.77	5.84	14.27	10.87	12.48	9.77	5.84	0.69	Large Blend	
U.S. Growth Fund 57 13 107 9 161 53	Wellington	36.45	-0.49	-1.35	1.43	6.77	12.02	26.74	15.02	13.54	9.34	7.93	26.74	15.02	13.54	9.34	7.93	1.03	Large Growth	
Utilities Fund 22 12 13 115 91	MFS	42.06	-0.14	-0.34	1.90	4.53	2.29	6.64	4.01	6.56	5.72	7.21	6.64	4.01	6.56	5.72	7.21	1.05	Utilities	
Vanguard Growth Index Fund 125 98	Vanguard	85.87	-0.96	-1.11	1.14	5.74	6.83	18.62	12.62	14.67	10.52	9.21	18.62	12.62	14.67	10.52	9.21	0.65	Large Growth	
Vanguard Tot Wld Stk Index ETF 128 139 119	Vanguard	13.66	-0.04	-0.31	-0.64	0.20	-0.44	10.32	7.83	9.39	5.81	5.68	10.32	7.83	9.39	5.81	5.68	0.76	World Large Stock	
Vanguard Value Index Fund 125 98	Vanguard	53.51	-0.15	-0.29	0.13	1.12	-1.37	9.55	9.67	10.99	8.61	8.98	9.55	9.67	10.99	8.61	8.98	0.65	Large Value	
Victory Diversified Stock 7	Victory	32.94	-0.20	-0.63	-1.80	-0.55	-3.17	13.94	7.80	9.87	6.71	9.96	13.94	7.80	9.87	6.71	9.96	1.15	Large Blend	
Washington Mutual Investors 38 61 194 40 65	American Funds	89.09	-0.48	-0.55	0.12	2.53	1.02	13.37	11.25	11.64	9.34	8.44	13.37	11.25	11.64	9.34	8.44	0.89	Large Value	

Growth & Income

Investment Option	Manager or Sub-Adviser ¹³	Unit Values as of: July 27, 2018			Returns* (%) as of: June 30, 2018			Returns* (%) as of: June 30, 2018 Monthly					Returns* (%) as of: June 30, 2018 Quarterly					As of: June 30, 2018 Expense Ratio** (%)	Morningstar Category ¹⁷
		Unit Value ¹⁶	Daily Change (\$)	(%)	1mth	3mth	YTD	1Yr	3Yr	5Yr	10Yr	Since Inception	1Yr	3Yr	5Yr	10Yr	Since Inception		
American Balanced Fund 38 61 160 40 31 65	American Funds	47.55	-0.15	-0.33	0.62	-2.04	0.72	8.85	8.29	9.02	8.21	10.35	8.85	8.29	9.02	8.21	10.35	0.88	Allocation-50% To 70% Equity
Capital World Bond Fund 37 61 65	American Funds	25.32	0.02	0.10	-0.66	-3.69	-1.81	0.08	1.86	1.27	2.38	5.73	0.08	1.86	1.27	2.38	5.73	1.14	World Bond
Federated High Yield Bond 88 67	Federated	15.91	0.00	0.05	0.23	0.68	-0.70	0.99	4.71	4.95	7.38	8.15	0.99	4.71	4.95	7.38	8.15	1.05	High Yield Bond
Global Bond Fund 13	PIMCO	28.57	0.06	0.24	-0.48	-2.63	-0.83	2.39	3.58	1.96	3.49	4.85	2.39	3.58	1.96	3.49	4.85	0.94	World Bond
High Yield Fund 45 13 115 54	WAMCO	39.83	0.00	0.00	0.09	1.19	0.20	2.90	4.06	3.99	7.14	5.48	2.90	4.06	3.99	7.14	5.48	0.90	High Yield Bond
Alternative Asset Allocation 13 113	John Hancock	15.70	0.00	0.00	-0.35	-0.92	-1.28	1.14	1.93	2.21	-	7.00	1.14	1.93	2.21	-	7.00	1.63	Multialternative
MFS Emerging Markets Debt 113	MFS	18.48	0.01	0.10	-1.32	-3.79	-5.42	-2.15	3.04	3.35	5.94	9.24	-2.15	3.04	3.35	5.94	9.24	1.19	Emerging Markets Bond
Oppenheimer Int'l Bond 58 7	Oppenheimer	8.86	0.01	0.21	-1.93	-6.95	-4.75	-1.27	2.95	1.88	2.93	7.03	-1.27	2.95	1.88	2.93	7.03	1.10	World Bond
Pax World Balanced Fund 1	Pax	38.09	-0.08	-0.22	0.29	1.15	0.29	6.69	5.81	7.31	5.03	8.22	6.69	5.81	7.31	5.03	8.22	1.11	Allocation-50% To 70% Equity
PIMCO All Asset All Authority 113 128	PIMCO	11.24	0.03	0.35	-1.46	-3.33	-3.35	1.49	2.49	0.84	3.25	4.72	1.49	2.49	0.84	3.25	4.72	1.80	Tactical Allocation
PIMCO All Asset 115 39 128	PIMCO	25.36	0.04	0.17	-1.14	-2.42	-2.37	3.71	4.31	3.33	4.53	5.81	3.71	4.31	3.33	4.53	5.81	1.47	Tactical Allocation
PIMCO Global Bond	PIMCO	19.62	0.02	0.13	-0.46	-3.39	-2.48	0.68	3.00	1.69	3.53	5.15	0.68	3.00	1.69	3.53	5.15	1.15	World Bond

John Hancock USA - Contract investment options

Investment Option	Manager or Sub-Adviser ³³	Unit Values as of: July 27, 2018	Returns* (%) as of: June 30, 2018	Returns* (%) as of: June 30, 2018 Monthly	Returns* (%) as of: June 30, 2018 Quarterly	As of: June 30, 2018	Morningstar Category ³⁷	
		Unit Value ⁴⁶ (\$)	Daily Change (%)	1mth 3mth YTD	1Yr 3Yr 5Yr 10Yr Since Inception	Expense Ratio** (%)		
Strategic Income Opp Fund 22 13 15 48 39 8 91	John Hancock	28.47	0.04 0.15	-0.82 -2.44 -2.89	-1.05 2.36 3.27 6.19 5.96	-1.05 2.36 3.27 6.19 5.96	0.84	Multisector Bond
T. Rowe Price Spectrum Inc / Templeton Global Bond Fund 87	T. Rowe Price	42.70	0.04 0.11	-0.20 -1.41 -1.98	0.60 3.17 3.25 4.76 6.42	0.60 3.17 3.25 4.76 6.42	1.10	Multisector Bond
U.S. High Yield Bond Fund 45 13 41 53	Franklin Templeton	17.13	0.01 0.08	-0.97 -2.64 -1.33	-2.22 0.89 1.52 5.36 7.16	-2.22 0.89 1.52 5.36 7.16	1.06	World Bond
	Wells Capital	29.00	0.02 0.09	0.38 0.82 0.10	3.03 4.77 5.11 7.04 6.50	3.03 4.77 5.11 7.04 6.50	0.86	High Yield Bond

Income

Investment Option	Manager or Sub-Adviser ³³	Unit Values as of: July 27, 2018	Returns* (%) as of: June 30, 2018	Returns* (%) as of: June 30, 2018 Monthly	Returns* (%) as of: June 30, 2018 Quarterly	As of: June 30, 2018	Morningstar Category ³⁷	
		Unit Value ⁴⁶ (\$)	Daily Change (%)	1mth 3mth YTD	1Yr 3Yr 5Yr 10Yr Since Inception	Expense Ratio** (%)		
Core Bond Fund 13 106 53	Wells Capital	20.96	0.03 0.16	0.01 -0.32 -1.91	-0.94 1.28 2.02 4.05 3.93	-0.94 1.28 2.02 4.05 3.93	0.77	Intermediate-term Bond
DFA Inflation-Protected Sec 87	DFA	13.37	0.02 0.17	0.53 0.61 -0.66	1.12 1.24 1.08 2.55 3.50	1.12 1.24 1.08 2.55 3.50	0.72	Inflation Protected Bond
Fidelity Advisor Total Bond 147 138	Fidelity	11.31	-0.01 0.12	0.00 -0.29 -1.64	-0.27 2.11 2.57 4.27 4.21	-0.27 2.11 2.57 4.27 4.21	0.85	Intermediate-term Bond
John Hancock Bond Fund 165 13 193 172	John Hancock	16.28	0.02 0.14	0.02 -0.33 -1.79	-0.22 2.40 3.30 - 4.12	-0.22 2.40 3.30 - 4.12	0.79	Intermediate-term Bond
JPMorgan Core Bond Fund 138 128	J.P. Morgan	12.17	0.01 0.12	-0.07 -0.25 -1.60	-0.57 1.38 1.85 3.71 5.59	-0.57 1.38 1.85 3.71 5.59	0.85	Intermediate-term Bond
PIMCO Real Return 124 38	PIMCO	20.14	0.02 0.13	0.65 0.62 -0.55	1.44 1.38 1.05 2.80 5.11	1.44 1.38 1.05 2.80 5.11	1.05	Inflation Protected Bond
Real Return Bond Fund 13 38	PIMCO	22.52	0.04 0.18	0.70 0.68 -0.42	1.63 1.52 1.18 2.91 3.72	1.63 1.52 1.18 2.91 3.72	0.86	Inflation Protected Bond
Total Bond Market Fund 110 187 22 13 6 91 72 162	John Hancock	18.90	0.01 0.10	-0.03 -0.30 -1.86	-0.98 1.09 1.69 3.06 3.55	-0.98 1.09 1.69 3.06 3.55	0.68	Intermediate-term Bond
US Government Securities 154 37 81 194 65	American Funds	17.30	0.01 0.08	-0.17 -0.12 -1.41	-1.72 0.38 1.08 2.57 5.24	-1.72 0.38 1.08 2.57 5.24	0.86	Intermediate Government

Conservative

Investment Option	Manager or Sub-Adviser ³³	Unit Values as of: July 27, 2018	Returns* (%) as of: June 30, 2018	Returns* (%) as of: June 30, 2018 Monthly	Returns* (%) as of: June 30, 2018 Quarterly	As of: June 30, 2018	Morningstar Category ³⁷	
		Unit Value ⁴⁶ (\$)	Daily Change (%)	1mth 3mth YTD	1Yr 3Yr 5Yr 10Yr Since Inception	Expense Ratio** (%)		
John Hancock Stable Val 143 166 13 26 39 52 142	John Hancock	1.40	0.00 -0.01	-0.11 -0.34 0.66	1.31 1.24 1.28 1.72 2.18	1.31 1.24 1.28 1.72 2.18	1.05	Ultrashort Bond
Guaranteed Annual Rate (June) 143 68 166 78 71 83 142	-	-	-	-	- 1.95 -	-	-	
Guaranteed Annual Rate (July) 143 68 166 78 71 83 142	-	-	-	-	- 2.05 -	-	-	

Market Indexes (comparison purposes only)

Investment Option	Manager or Sub-Adviser ³³	Unit Values as of: July 27, 2018	Returns* (%) as of: June 30, 2018	Returns* (%) as of: June 30, 2018 Monthly	Returns* (%) as of: June 30, 2018 Quarterly	As of: June 30, 2018	Morningstar Category ³⁷	
		Unit Value ⁴⁶ (\$)	Daily Change (%)	1mth 3mth YTD	1Yr 3Yr 5Yr 10Yr Since Inception	Expense Ratio** (%)		
Standard & Poor's 500 Stock In	S&P500	-	-	0.62 3.43 2.65	14.37 11.93 13.42 10.17 -	14.37 11.93 13.42 10.17 -	-	-
Barclay's Capital Gov/Corp.	Barclay's Capital	-	-	-0.19 -0.33 -1.90	-0.63 1.83 2.28 3.77 -	-0.63 1.83 2.28 3.77 -	-	-
Lipper International Index	Lipper Intl Index	-	-	-1.10 -1.54 -2.35	7.10 5.10 6.96 3.47 -	7.10 5.10 6.96 3.47 -	-	-
RUSSELL 2000 INDEX	Russell 2000 TR	-	-	0.72 7.75 7.66	17.57 10.98 12.46 10.60 -	17.57 10.98 12.46 10.60 -	-	-

Contributions under a group annuity contract issued by John Hancock Life Insurance Company (U.S.A.) (John Hancock USA) are allocated to investment options which: (a) invest solely in shares of an underlying mutual fund, collective trust, or ETF; (b) invest in a combination of these; or (c) are Guaranteed Interest Accounts and which will be held in the John Hancock USA general account. For more information on a particular investment option, please refer to John Hancock USA's Fund sheets, available through the Web site or your John Hancock USA representative.

The Funds offered on the JH Signature platform are classified into five risk categories. The risk category in which a Fund is placed is determined based on where the 10 year Standard Deviation (defined below) of the underlying fund's Morningstar Category falls on the following scale: if the 10 year Standard Deviation of the underlying fund's Morningstar Category is 17.00 or higher, the Fund is classified as "Aggressive;" between 11.50 and 16.99 as "Growth;" between 6.50 and 11.49 as "Growth & Income;" between 2.50 and 6.49 as "Income;" and 2.49 and below as "Conservative." If a 10 year Standard Deviation is not available for a Morningstar Category, then the 5 year Standard Deviation of the underlying fund's Morningstar Category is used to determine the Fund's risk category. If a 5 year Standard Deviation is not available for a Morningstar Category, then the 5 year Standard Deviation of the underlying fund's Morningstar Category Index is used to determine the Fund's risk category. Standard Deviation is defined by Morningstar as a statistical measurement of dispersion about an average, which, for an underlying fund, depicts how widely the returns varied over a certain period of time.

Manager or Sub-Adviser refers to the manager of the underlying fund, or to the sub-adviser of the underlying John Hancock Trust, John Hancock Funds II, or John Hancock Funds III fund in which the sub-account invests. "Underlying fund" includes the underlying mutual fund, collective trust, or ETF in which a sub-account invests.

Marketing Support Payments from Mutual Fund Companies. From time to time, mutual fund distributors and/or advisors for mutual funds available on our platform may contribute funds for education, marketing support and training related expenses. The contributions are used to subsidize the cost of training seminars we offer to our employees (wholesalers, supervisors, field leadership and other personnel), through specialized firm-wide programs and regional training forums. These contributions subsidize a significant portion of the costs incurred to support this training as well as client education and product marketing efforts conducted regionally and nationally by product specialists employed by John Hancock. The training events and seminars can (and often) include a non-training element to the event. Contributions can vary by vendor and event. In some instances, the contributions per vendor (as well as the aggregate received from all vendors) are significant. Some vendors may decide to contribute at levels different than those we request. Additional contributions may be made by certain vendors in connection with specialized events or education or training forums.

Index performance shown is for a broad-based securities market index. Indexes are unmanaged and cannot be invested in directly.

*The performance data for a sub-account for any period prior to the sub-account Inception Date is hypothetical based on the performance of the underlying investment since inception of the underlying investment. All other performance data is actual (except as otherwise indicated). Returns for any period greater than one year are annualized. Performance data reflects changes in the prices of a sub-account's investments (including the shares of an underlying mutual fund, collective trust, or ETF), reinvestment of dividends and capital gains and deductions for the sub-account charges.

The performance data presented represents past performance. Past performance is no guarantee of future results and current performance may be lower or higher than the performance quoted. An investment in a sub-account will fluctuate in value to reflect the value of the sub-account's underlying fund and, when redeemed, may be worth more or less than original cost. Performance does not reflect any applicable contract-level or participant-level charges, fees for guaranteed benefits if elected by participant, or any redemption fees imposed by an underlying mutual fund, collective trust or ETF. These charges, if included, would otherwise reduce the total return for a participant's account. Performance current to the most recent month-end is available at www.jhpcensions.com/er.

**This material shows expenses for a specific unit class for investment options available under a John Hancock group annuity contract. The Expense Ratio ("ER") shown represents the total annual operating expenses for the investment options made available by John Hancock. It is made up of John Hancock's (i) "Revenue from Sub-account", and (ii) the expenses of the underlying fund (based on expense ratios reported in the most recent prospectuses available as of the date of printing: "FER"). In the case where an underlying fund has either waived a portion of, or capped, its fees, the FER used to determine the ER of the sub-account that invests in the underlying fund is the net expense ratio of the underlying fund. "Underlying fund" or "fund" refers to the underlying mutual fund, collective trust, or exchanged traded fund ("ETF") in which the investment option invests.

The FER is determined by the underlying fund and is subject to fluctuation. Any change in the FER of an underlying fund will affect the Expense Ratio of the investment option which invests in the underlying fund.

The ER applies daily at a rate equivalent to the annual rate shown, and may vary to reflect changes in the expenses of an underlying fund and other factors.

For Expense Ratio information current as of the most recent quarter end, please refer to the monthly "Return and Fees" listing available from John Hancock upon request. For more information, please contact your financial representative.

Morningstar®, Inc. assigns a category based on the underlying securities in each fund's portfolio. Source for Morningstar Benchmark is Morningstar Direct for Mutual Funds. Morningstar data is © 2014 by Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Peer groups are unmanaged and cannot be invested in directly.

³ Manager or Sub-Adviser refers to the manager of the underlying fund, or to the sub-adviser of the underlying John Hancock Trust, John Hancock Funds II, or John Hancock Funds III fund in which the sub-account invests. "Underlying fund" includes the underlying mutual fund, collective trust, or ETF in which a sub-account invests.

⁷ Morningstar assigns categories by placing funds into peer groups based on their underlying holding. The underlying securities in each portfolio are the primary factor Morningstar uses as the investment objective and investment strategy stated in a fund's prospectus may not be sufficiently detail for our proprietary



**PRI Committee
Meeting Minutes
October 16, 2018
10:00 a.m.**

**SEF Office
4110 Independence Drive, Suite 100
Schnecksville, PA 18078**

Present:

Robert Thomson, Chairman (phone)
Larry Eighmy (phone)
Brandi Snyder (phone)
Linda Evers (phone)

Also Present:

John Costlow, President
Shannon Crooker

Ms. Evers called the meeting to order.

Approval of Minutes

To be approved at the Board meeting on November 14, 2018

Status Reports

Pipeline Report

Ms. Crooker reviewed the Pipeline Report included in the PRI packet.

Monthly Loan Tracking Summary

Ms. Crooker presented the Monthly Loan Tracking Summary.

Key Performance Indicators

Ms. Crooker provided a review of the Key Performance Indicators and Portfolio Fit included in the packet. Cost of loan acquisition saw a decrease in quarter one. Disbursements had an increase in quarter three and portfolio balance saw a decrease, but it is expected to increase by next quarter due to the approval of the Community Energy loan.

Financial Services Income Statement

P&L through September 30, 2018

Mr. Costlow reviewed the Profit and Loss Statement.

Key Points included:

- 9% over budget for revenue.
- Marketing is slightly below budget.
- Special Programs and Events is slightly over budget. This is due to a timing issue.
- Legal fees are over budget. This is due to the Community Energy Loan.
- Under budget on Solarize, approximately \$40k in savings and \$15k in revenue is expected.

Mr. Costlow called for questions. Discussion ensued.

Holy Guardian Angels School Update

Mr. Costlow reviewed the change order on the Holy Guardian Angels School. They requested a nominal increase of \$1,635. The original maximum change order amount was \$172,865. The expenses exceeded the maximum amount due to the change in the insulation contractor and the additional cost of the insulation work required.

A motion (Eighmy, Evers)

RESOLVED to approve the additional \$1,635 NESA disbursement to Holy Guardian Angels School as presented.

Passed by a voice vote (3-0-1) Mr. Thomson abstained.

Kraybill Mennonite School PRI

Mr. Costlow reviewed the Kraybill Mennonite School loan for \$36,650. Kraybill Mennonite School is a private Christian school in Mount Joy, Pennsylvania, founded in 1949. In 2006, the school merged with the Lancaster Mennonite School and in 2018, the Kraybill Mennonite School separated from the Lancaster Mennonite School.

The project will be replacing existing inefficient lighting with new LED lights. This work will be done by Richards Energy. Richards Energy is estimating they will save about \$8,800 a year in energy and maintenance costs. The loan interest rate is 4.50% for a term of 60 months with principal and interest payments of \$683.27. A loan origination fee of \$360 will be payable at closing. The conditions of the loan are the following: 1) Evidence of Insurance listing SEF as loss payee and 2) Kraybill Mennonite School Corporation will provide annual financials 30 days after completion.

The strengths for the Kraybill Mennonite School loan are that they have a positive cash flow, strong debt service coverage ratio and no other debt. The weakness is that the school is less than two years old, however, they operated as a stand-alone private school from 1949 to 2006 before they merged with the Lancaster Mennonite school. Discussion ensued.

A motion (Eighmy, Snyder)

RESOLVED to approve the loan amount of \$36,650 for Kraybill Mennonite School as presented.

Passed by a voice vote (3-0-1) Mr. Thomson abstained.

2019 Budget

Mr. Costlow reviewed the Vision Plan for 2019. Staff is currently creating a five-year strategic plan for Sustainable Energy Fund. This plan includes construction on the net-zero building and expansion of C-PACE.

Goals for 2019:

- Achieve greater than \$400,000 in program-related revenue
- Increase Energy Service Providers by 10%
- Achieve \$2 million in additional investments (includes equity, loans, leases, performance contracts)

Mr. Costlow presented the 2019 Budget. Discussion ensued.

A motion (Eighmy, Evers)

RESOLVED to approve 2019 budget as presented.

Passed by a voice vote (3-0-1) Mr. Thomson abstained.

The meeting was adjourned.

Action items

1. Give everyone an update on C-PACE at November 14, 2018 Board meeting.

NOT YET APPROVED

PPR Committee Report

11/14

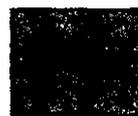
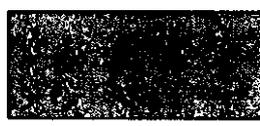
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Approved

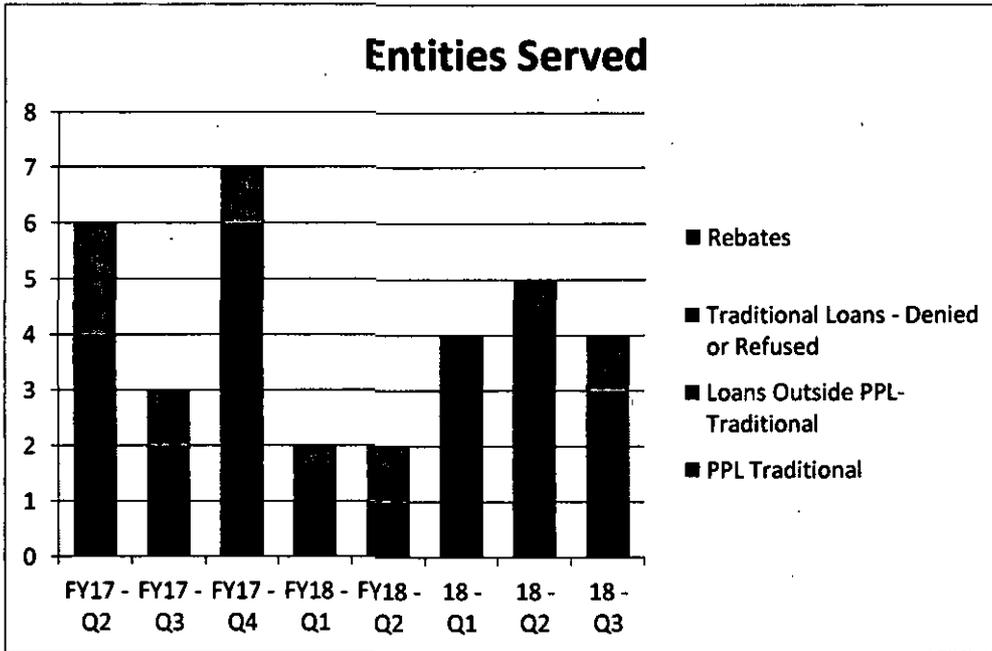
Underwriting

Awaiting Phase I Audit

Qualification

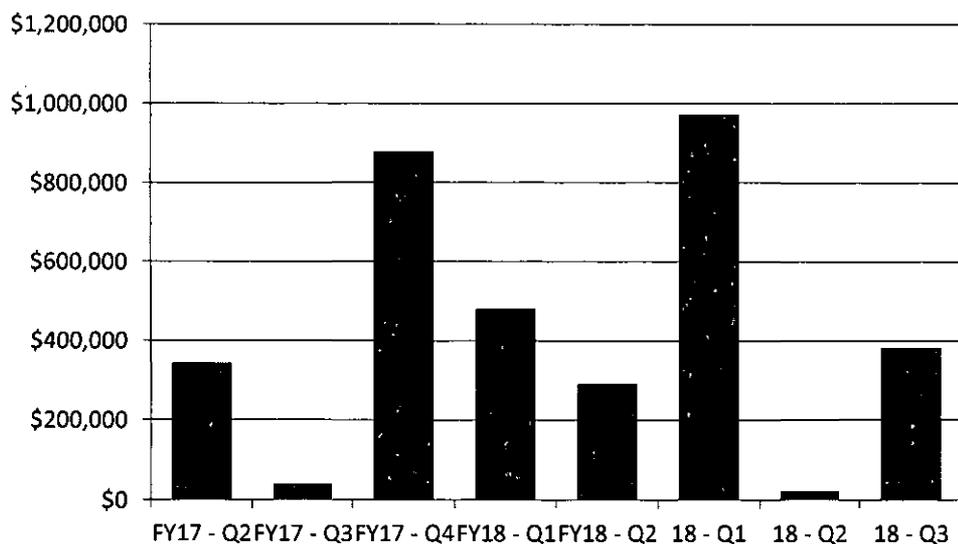
Quote - Loan Stage

STAGE	ACCOUNT NAME	OPPORTUNITY NAME	OPPORTUNITY OWNER	AMOUNT Sum	FISCAL PERIOD	PROBABILITY (%)	AGE Avg	CLOSE DATE	CREATED DATE	LEAD SOURCE
Qualification (11 records)	DafVive	DafVive	Megan Jones		Q3-2019	5%	204	3/15/2019	3/15/2018	Other
	Re-Urit	Re-Urit	Megan Jones		Q4-2018	5%	191	5/27/2018	3/28/2018	Other
	H-B McClure	H-B McClure	Megan Jones		Q3-2018	5%	204	3/31/2018	3/15/2018	Trade Show
	Greener Susquehanna Valley United Way	Limited Way Susquehanna	Megan Jones		Q1-2018	5%	500	7/22/2017	5/23/2017	Employee Referral
	Lighthouse Vocational Services	Lighthouse Vocational Services-NESA	Lucas Buives		Q4-2019	5%	17	6/15/2019	9/18/2018	Direct Mail
	Trinity Solar	Trinity Solar	Shannon Crooker		Q3-2019	5%	207	3/12/2019	3/12/2018	Customer Event
	Northampton County Historical & Genealogical Society (NCHGS) - Sigal Museum	North Hampton County Museum - Sigal Museum	Shannon Crooker		Q2-2019	5%	217	11/27/2018	3/2/2018	Customer Event
	J.W. Simmer, Inc.	J.W. Simmer, Inc.	Shannon Crooker		Q3-2018	5%	207	3/31/2018	3/12/2018	Partner
	New America Power	New America Power	Shannon Crooker		Q3-2018	5%	240	3/31/2018	2/19/2018	Partner
	Green Power Developers	Green Power Developers	Shannon Crooker		Q1-2018	5%	238	2/19/2018	2/19/2018	Other
	Air Green LLC	Air Green LLC	Shannon Crooker	\$200,000.00	Q1-2018	5%	491	7/31/2017	6/1/2017	Partner
Subtotal				\$200,000.00			246.909			
				\$200,000.00						
Awaiting Phase I Audit (3 records)	Turning Point of Lehigh Valley	Turning Point of LV - NESA	Shannon Crooker		Q4-2019	10%	42	5/21/2019	8/24/2018	Other
	Lacawec Sanctuary	Lacawec NESA	Shannon Crooker		Q3-2018	10%	529	1/19/2018	4/24/2017	Partner
	Pococo Environmental Education Center	Pococo Environmental Education Center	Shannon Crooker		Q3-2018	10%	609	10/31/2017	2/3/2017	Partner
				\$0.00						
				\$3,000,000.00	Q1-2019	10%	173	8/3/2018	6/4/2018	Partner
	Concord Road, LLC	Northern PA Company	Megan Jones	\$64,300.00	Q3-2019	10%	7	1/2/2018	10/31/2018	Partner
	Arsenal Solar	Haitian Ministry Solar	Shannon Crooker	\$317,000.00	Q2-2019	10%	21	11/13/2018	9/14/2018	Partner
	Paradise Energy Solutions	PennFleet Solar	Shannon Crooker	\$89,355.00	Q2-2019	10%	25	11/9/2018	9/10/2018	Partner
	Sky Boom Service LLC	Sky Boom Service Solar System	Shannon Crooker	\$90,784.30	Q3-2019	10%	31	11/3/2018	9/4/2018	Partner
	Maxwell Lighting	RND Maggawrite-Spring Mill Corporate Center	Shannon Crooker	\$100,000.00	Q2-2019	10%	50	10/15/2018	8/16/2018	Partner
	National Energy Solutions, Inc	Pennell Borough	Shannon Crooker	\$291,175.00	Q2-2019	5%	54	10/11/2018	8/12/2018	Partner
Underwriting (3 records)	Maxwell Lighting	Riesville	Shannon Crooker	\$81,345.00	Q3-2019	10%	105	8/21/2018	6/22/2018	Partner
	Maxwell Lighting	Liberty Lots	Shannon Crooker	\$552,825.00	Q1-2019	10%	167	7/10/2018	5/11/2018	Partner
	Entech Engineering	Greater Reading Chamber RTU Replacement	Shannon Crooker	\$4,686,984.30			62			
				\$48,500.00	Q4-2018	75%	240	4/6/2018	2/7/2018	Partner
	Carbonidek Center for Small Business Tech Inc	Carbonidek Center for Small Business Tech Inc	Megan Jones	\$137,280.00	Q2-2019	75%	30	11/4/2018	9/5/2018	Partner
	Carbon Atlantic International, LLC	Carbon Atlantic International, LLC	Shannon Crooker	\$36,650.00	Q2-2019	75%	46	10/19/2018	8/20/2018	Partner
	Kraybill Mennonite School	Kraybill Mennonite School	Shannon Crooker	\$222,430.00			105.333			
				\$4,586,400.00	Q1-2019	90%	67	9/28/2018	7/30/2018	Other
	Community Energy, Inc	CEES Community Solar Gardens 2, LLC	Scott Destefano	\$2,545,100.00	Q3-2018	90%	255	3/24/2018	1/23/2018	Partner
	RER Energy Group	Sunwestmont Energy Group PA 58, LLC	Scott Destefano	\$364,320.00	Q3-2018	90%	255	3/24/2018	1/23/2018	Partner
	Subtotal				\$127,619.00	Q3-2018	90%	255	3/24/2018	1/23/2018
				\$1,300,000.00	Q3-2018	90%	330	1/8/2018	11/9/2017	Partner
				\$28,000.00	Q4-2018	90%	247	4/1/2018	1/31/2018	Partner
				\$44,755.00	Q1-2018	90%	451	9/9/2017	7/11/2017	Partner
				\$8,996,194.00			265.714			
				\$14,105,608.30			200.909			
Subtotal										
GRAND TOTAL (53 RECORDS)										



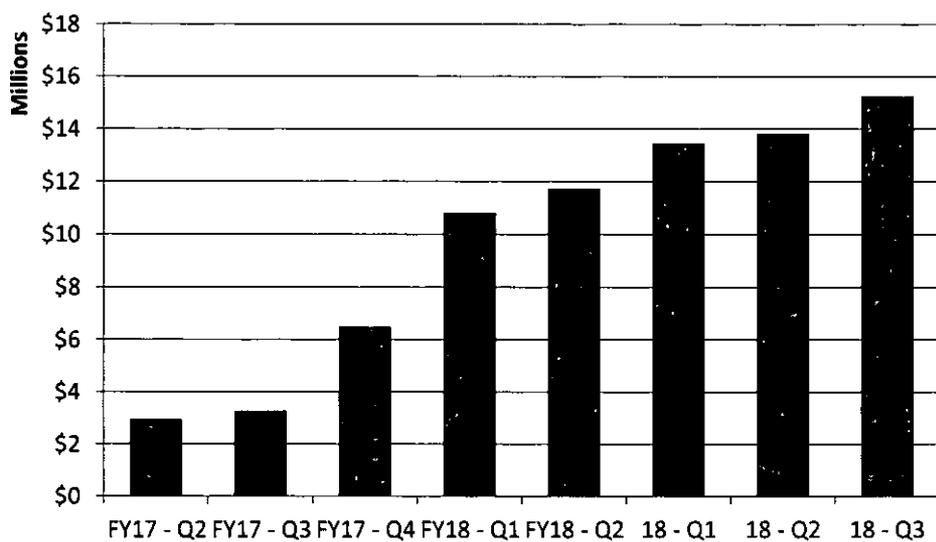
Number of new loans based on a signed commitment letter during a given quarter.

Projected Lifetime Revenue



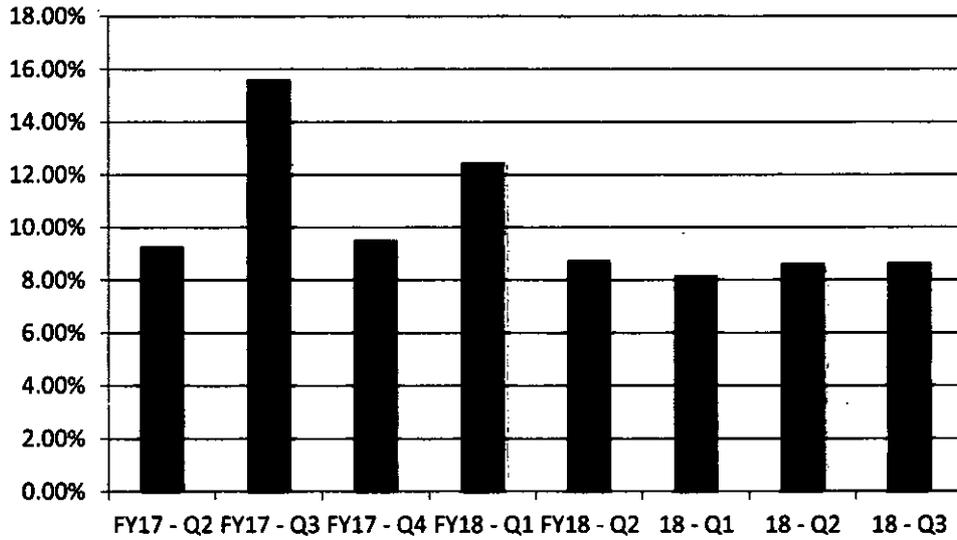
Estimated revenue from committed loans during a given quarter if the customer pays the loan off based on established terms.

Running New Loan Volume



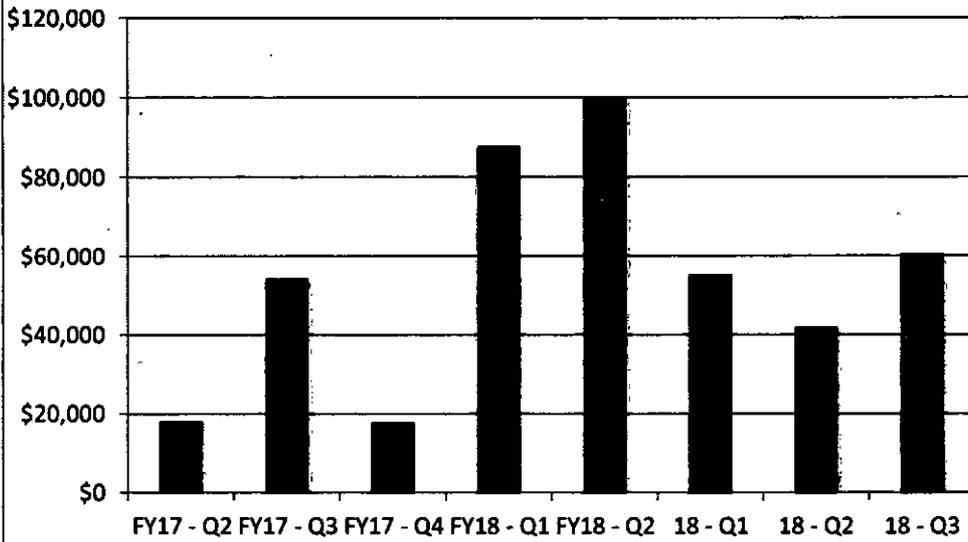
Total commitment value of loans for the previous 12 months.

Operating Expense

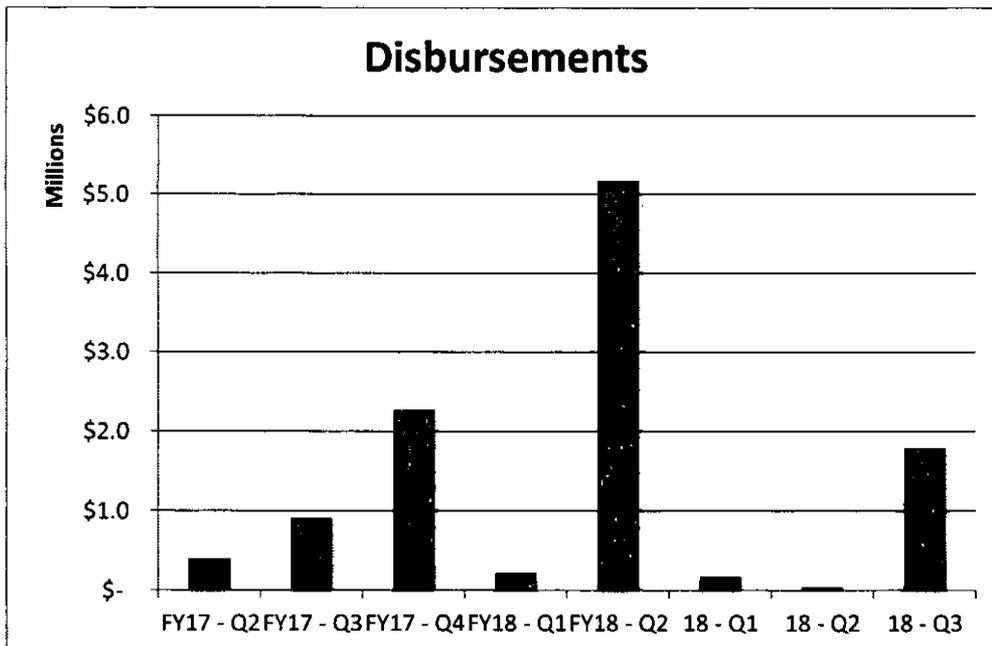


Financial Services Operating Expense divided by Portfolio Balance

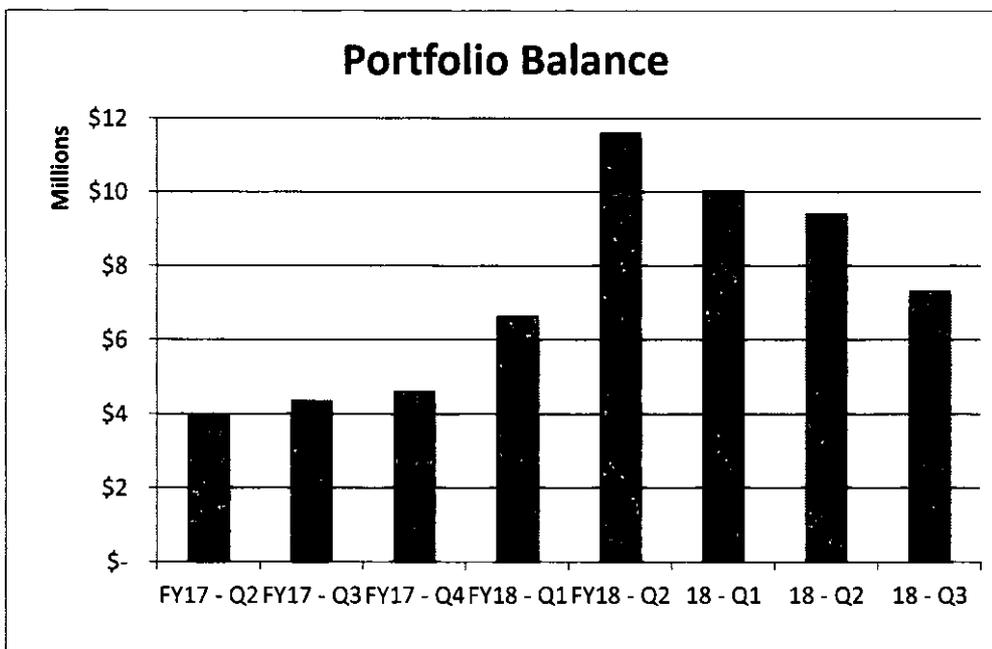
Cost of Loan Acquisition



Financial Services Operating Expense divided by Number of Borrowers during a given quarter.

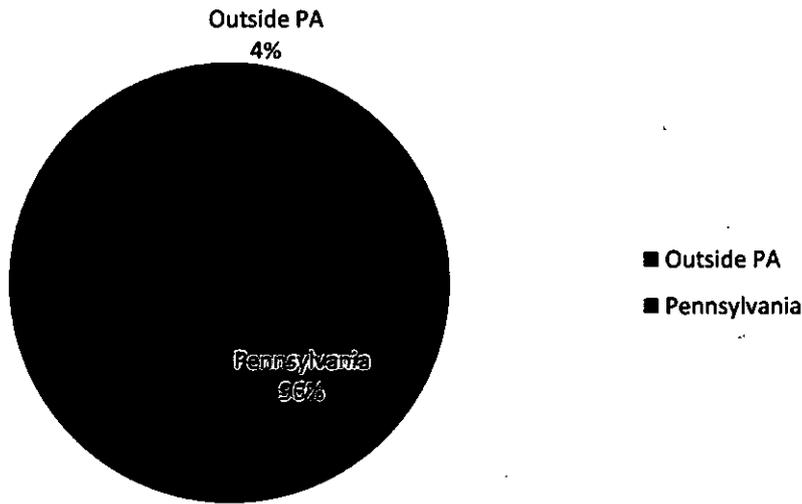


Disbursement made to borrowers during a given quarter



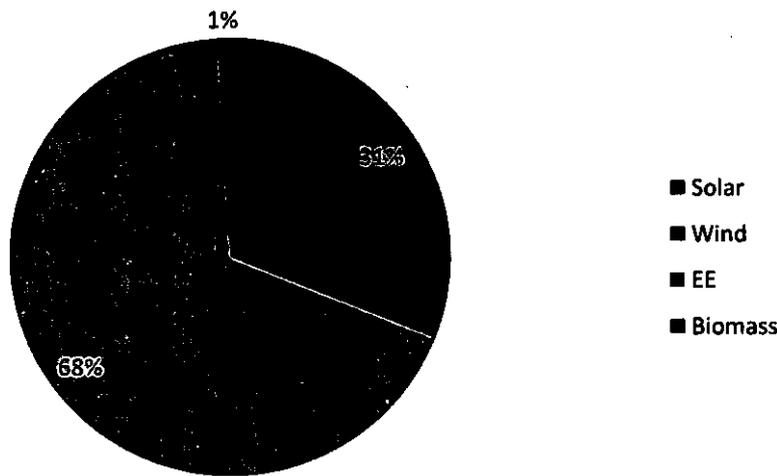
Total Portfolio Balance, includes loans, LED leases, instant rebates and mission related Equity Investments

Out of State Investments



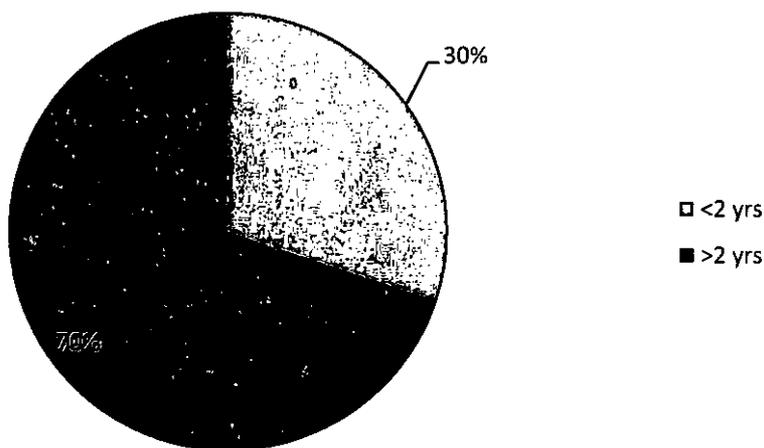
Target <\$2,500,000 in Out of State Investments. Out of State investments are currently at \$192,217.

Investments by Technology



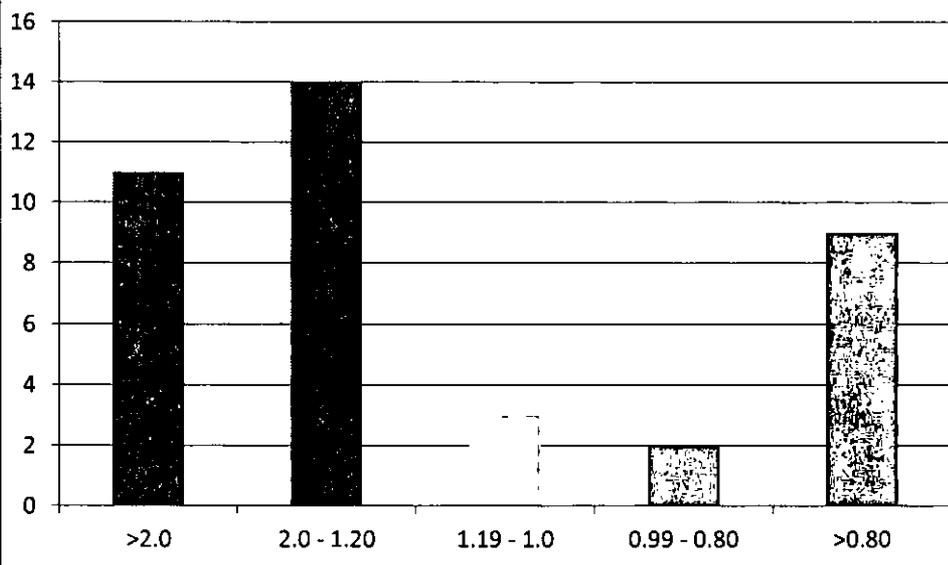
Target < \$7,000,000 in any given technology. Solar at \$1,456,921, Bio Mass at \$44,079 and Energy Efficiency at \$3,192,743.

Startups



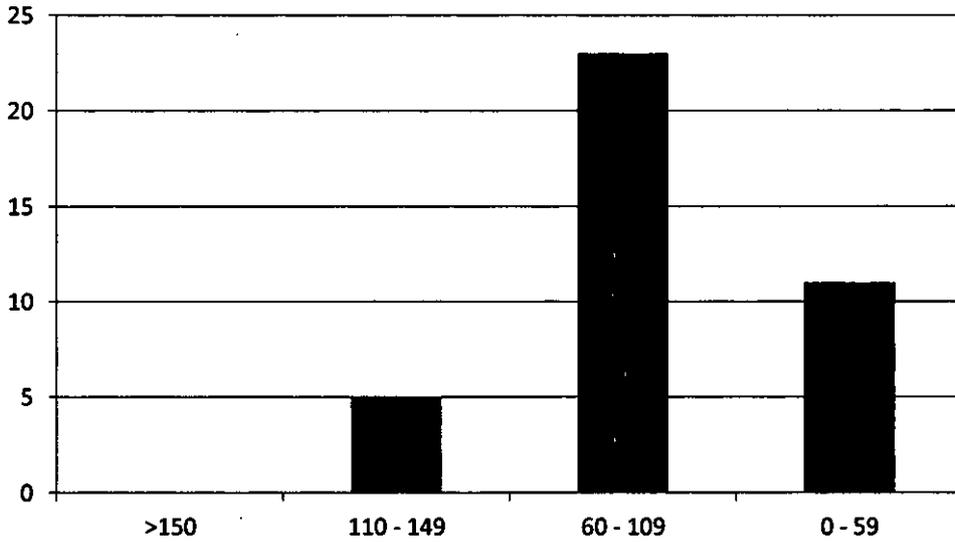
Target < \$2,500,000 of Portfolio placed with start-up entities. Startups are classified as any company operating for less than 2 years. Startup investments are currently at \$1,414,057

Distribution by DSCR



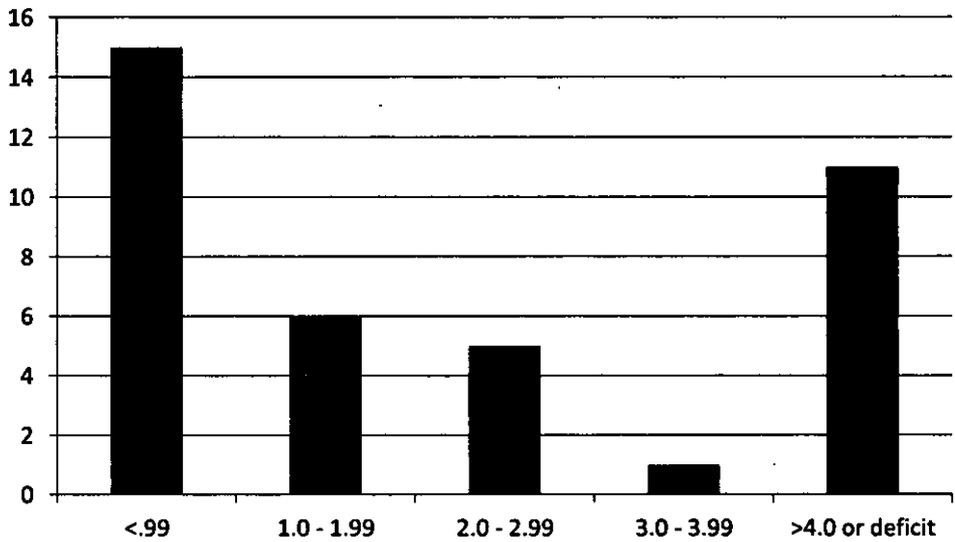
The DSCR, Debt Service Coverage Ratio measures a company's ability to produce enough cash to cover its debt.

Distribution by Credit Score



SEF credit score takes into account a borrowers Debt Service Coverage Ratio, Current Ratio, Leverage Ratio, Surety's Financial Strength, Payment History and Collateral. A score >150 is considered excellent, between 110 to 149 is considered Good, 60 to 109 is considered Satisfactory, 0 to 59 is Watch List. Scores less than 0 are considered Substandard.

Distribution by Leverage Ratio



Represents distribution of borrowers by Leverage Ratio. Leverage Ratio is a borrowers Total Liabilities minus Subordinated Debt divided by the sum of their Net Worth and Subordinated Debt minus Intangibles

NESA APPROVAL AND UNDERWRITING FORM
--

Date Prepared: 2018-09-28

Prepared By: DeStefon, Scott

Total NESA increase amount from original change order amount: \$1,635.00

Original maximum change order amount: \$172,865.00

BORROWER INFORMATION

Company Name: Holy Guardian Angels School

DBA:

Business Address		Project Address	
Street Address	3125 Kutztown Rd.	Street Address	3125 Kutztown Rd.
Street Address 2		Street Address 2	
City	Reading	City	Reading
State	PA	State	PA
Postal Code	19605	Postal Code	19605

SIC	8211	EIN or TIN	
NAICS	611110	Business Type	Non-Profit 501 (C)3
Officers/Principals	Maureen Wallin - Principal MSGR. Dennis Hartgen		
Related Entities:			

Business Description

Holy Guardian Angels School is a private, Catholic school for children grades preschool through eighth grade. The school is located in Reading, Pennsylvania. The school currently serves approximately 460 students and has had a three-year average enrollment of approximately 459 students.

Additional Company Information

PRI SUMMARY

Total	\$174,500.00
Exposure:	
Credit Grade:	Satisfactory – score of 80, satisfactory range = 60-109

Narrative

UPDATED PROJECT

In June of 2017, SEF approved a NESA for Holy Guardian Angels Regional School in the amount of \$157,150 with a maximum change order amount of \$172,865. The work that was to be completed included; new energy efficient LED lighting, a boiler upgrade with new controls and insulation of the pipes throughout the school. When Holy Guardian Angels Regional School attempted to contact the original company selected to complete the insulation work they received no response. The school decided to select a new contractor to complete the insulation work. When the new contractor was selected and went to the school to inspect the project they noticed several areas that were missed by the original company. With the new areas that were needed to be insulated the cost of the project increased. The increase was still within the scope of the change order.

Richards Energy Group was the contractor selected to install the new LED lighting throughout the school. The original work on the lighting was completed in January of 2018. After the work was completed the school noticed areas that were not included on the original audit that needed new lighting and contacted Richards Energy to complete this work. With the additional work needed for the insulation and the additional lighting, the project exceeded the maximum change order amount. The new project cost was \$174,500 with the maximum change order being \$172,865, taking the project over the amount by \$1,635. With the increase in the total project cost the payment will need to increase from \$2,324.25 to \$2,453.38, which is a \$129.13 difference. This will give SEF a 5.08% IRR, the original IRR on the NESA was 5.65%.

ORIGINAL PROJECT

The project for Holy Guardian Angels Regional School is a Non-Profit Energy Savings Agreement (NESA). Richards Energy Group will be installing new, energy efficient LED lighting throughout the school building. Three B Services, Inc. will be installing a new Weil McLain Slim Fit Boiler and GMI Insulation will be reinsulating all the cold-water supply lines in the school. Holy Guardian Angels School will also be having new boiler controls installed.

MISSION EVALUATION

Project Type: Energy Efficiency

Energy Metrics: Energy Conservation measures:

Boiler Controls

Lighting

- Estimated Energy Savings – 159,000 kWh annually
- Estimated Annual Financial Savings – \$13,968 annually
- CO_{2-e} reduction of 112 metric tons
- Energy Calculations performed by Nick Kolesar SEF technical specialist

New Boiler

- Estimated Energy Savings – 700 MCF of Natural Gas
- Estimated Annual Financial Savings – \$6,580.00 annually
- CO_{2-e} reduction of 38 metric tons
- Energy Calculations performed by Nick Kolesar SEF technical specialist

Cold Water Pipe Insulation

- Estimated Energy Savings – 24,500 kWh annually / 500 MCF of Natural Gas
- Estimated Annual Financial Savings – \$7,830 annually
- CO_{2-e} reduction of 45 metric tons
- Energy Calculations performed by Nick Kolesar SEF technical specialist

Switch to Heat Circulating Pump w/ VFD

- Estimated Energy Savings – 17,150 kWh annually
- Estimated Annual Financial Savings – \$1,391.00 annually
- CO_{2-e} reduction of 12 metric tons
- Energy Calculations performed by Nick Kolesar SEF technical specialist

NESA Analysis

Holy Guardian Angels Regional School NESA Payment Terms

Monthly Payment	\$2,453.38	
Term	96 months	
Contract Revenue	\$235,524.48	
Project		
Lighting Upgrade	\$97,629.44	
Boiler	\$40,150.00	
Insulation	\$26,718.36	
Boiler Controls	\$5,200.00	
Bill McMahon Fees	\$4,800.00	
Gross Margin	\$61,026.68	25.91%
Operating Expense		
M&V set aside	\$6,693.84	
3% overage coverage	\$4,715.00	
Overhead	\$1,394.55	
Net	\$48,223.29	20.47%
IRR		5.08%

Purpose
The proceeds of the NESA are to be used to install new LED lights throughout the school, as well as install a new, high efficiency natural gas boiler, new boiler controls as well as replace the insulation on the chilled water piping throughout the school. The purpose of the increase of \$1,635 is to install additional insulation and LED lights.
Collateral
1 st Lien UCC-1 filing vs. equipment being installed.
Performance Guarantee
Stipulated savings to stay the same as original contract

Business, Management, Number of Years in Business

Holy Guardian Angels School was founded in 1931. The Principal of the school is Maureen Wallin and she reports directly to the Diocese of Allentown.

SEF Relationship

FINANCIAL ANALYSIS

Assigned Credit Grade: Satisfactory	Total Points: 80	Point Range: 60-109						
Financial Statements:	DATE: 6/30/2016, 2017, 2018 PREPARER: internal bookkeeper							
Total Revenues:	6/30/2018 – \$1,859,257 6/30/2017 – \$1,766,006 6/30/2016 – \$1,805,491							
Net Profit/Cash flow:	6/30/2018 – (\$7,116) / (\$7,116) 6/30/2017 – \$40,909 / \$40,909 6/30/2016 – \$52,633 / \$52,633							
When asked about the loss for FYE 6/30/2018 SEF was told that the school had students that prepay their tuition. When looking at their financial statements in the assets portion they are showing an increase in cash of \$53,454 over 2017 school year.								
Debt Service Coverage Ratio (must be 1.2X or greater):	A. Debt Service Coverage Ratio (2016)							
<table> <tr> <td>Cash Flow @ FYE 2016:</td> <td></td> </tr> <tr> <td>Net Profit -----</td> <td style="text-align: right;"><u>\$52,633</u></td> </tr> <tr> <td>Total Cash Flow FYE:</td> <td style="text-align: right;"><u>\$52,633</u></td> </tr> </table>			Cash Flow @ FYE 2016:		Net Profit -----	<u>\$52,633</u>	Total Cash Flow FYE:	<u>\$52,633</u>
Cash Flow @ FYE 2016:								
Net Profit -----	<u>\$52,633</u>							
Total Cash Flow FYE:	<u>\$52,633</u>							
<table> <tr> <td>Debt Service @ FYE 2016</td> <td></td> </tr> <tr> <td>No Debt</td> <td></td> </tr> </table>			Debt Service @ FYE 2016		No Debt			
Debt Service @ FYE 2016								
No Debt								
2016 Debt Service Coverage Ratio (DSCR): \$52,633 divided by \$0 = undefined								
B. Debt Service Coverage Ratio (2017)								
<table> <tr> <td>Cash Flow @ FYE 2017:</td> <td></td> </tr> <tr> <td>Net Profit -----</td> <td style="text-align: right;"><u>\$40,909</u></td> </tr> <tr> <td>Total Cash Flow FYE:</td> <td style="text-align: right;"><u>\$40,909</u></td> </tr> </table>			Cash Flow @ FYE 2017:		Net Profit -----	<u>\$40,909</u>	Total Cash Flow FYE:	<u>\$40,909</u>
Cash Flow @ FYE 2017:								
Net Profit -----	<u>\$40,909</u>							
Total Cash Flow FYE:	<u>\$40,909</u>							
<table> <tr> <td>Debt Service @ FYE 2017</td> <td></td> </tr> <tr> <td>No Debt</td> <td></td> </tr> </table>			Debt Service @ FYE 2017		No Debt			
Debt Service @ FYE 2017								
No Debt								
2017 Debt Service Coverage Ratio (DSCR): \$40,909 divided by \$0 = undefined								
C. Debt Service Coverage Ratio (2018)								
Cash Flow @ FYE 2018:								

Net Profit ----- (\$7,116)
Total Cash Flow FYE: (\$7,116)

Debt Service @ FYE 2018
 No Debt

2018 Debt Service Coverage Ratio (DSCR): (\$7,116) divided by \$0 = undefined

A. Projected Debt Service Coverage Ratio (Based on 3/31/2017 financials)

Cash Flow:
 2018 cash flow ----- (\$7,116)
 Estimated energy savings for year 1 of NESA ----- \$ 30,990
Total Cash Flow FYE: \$23,874

Debt Service:
 Estimated debt service for year 1 of NESA ----- \$ 29,440
Total annual Debt Service FYE: \$ 29,440

Projected Debt Service Coverage Ratio (DSCR): \$23,874 divided by \$29,440 = .81X

Leverage Ratio (must be 4.0 or less): Total Liabilities \$0.00
 Net Worth \$146,839

2018 Total Liabilities divided by Net Worth give a leverage ratio of 0

Guarantor (s): None

Credit Rating of Guarantor:

Assets of Guarantor:

Sources of Repayment: P Cash flow from project savings

P=Primary; S=Secondary; S Cash flow from operations

T=Tertiary T Liquidation of equipment

Financial Covenants/Conditions/Reporting Requirements

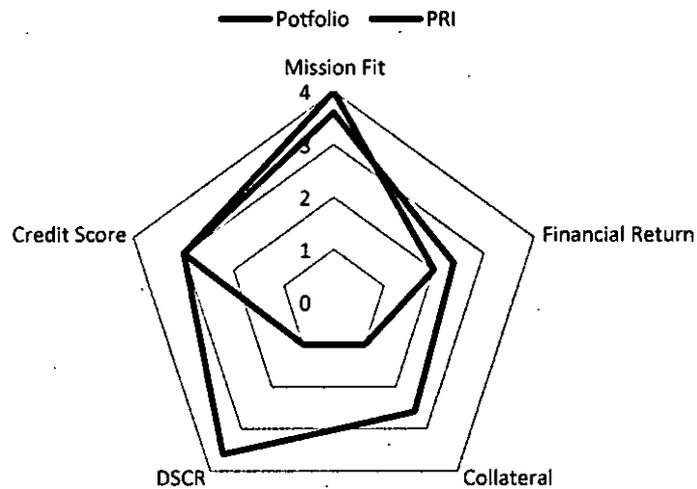
Holy Guardian Angels School to provide SEF with annual financial audit 90 days after their fiscal year ends.
 Holy Guardian Angels School to provide evidence of insurance listing SEF as loss payee.

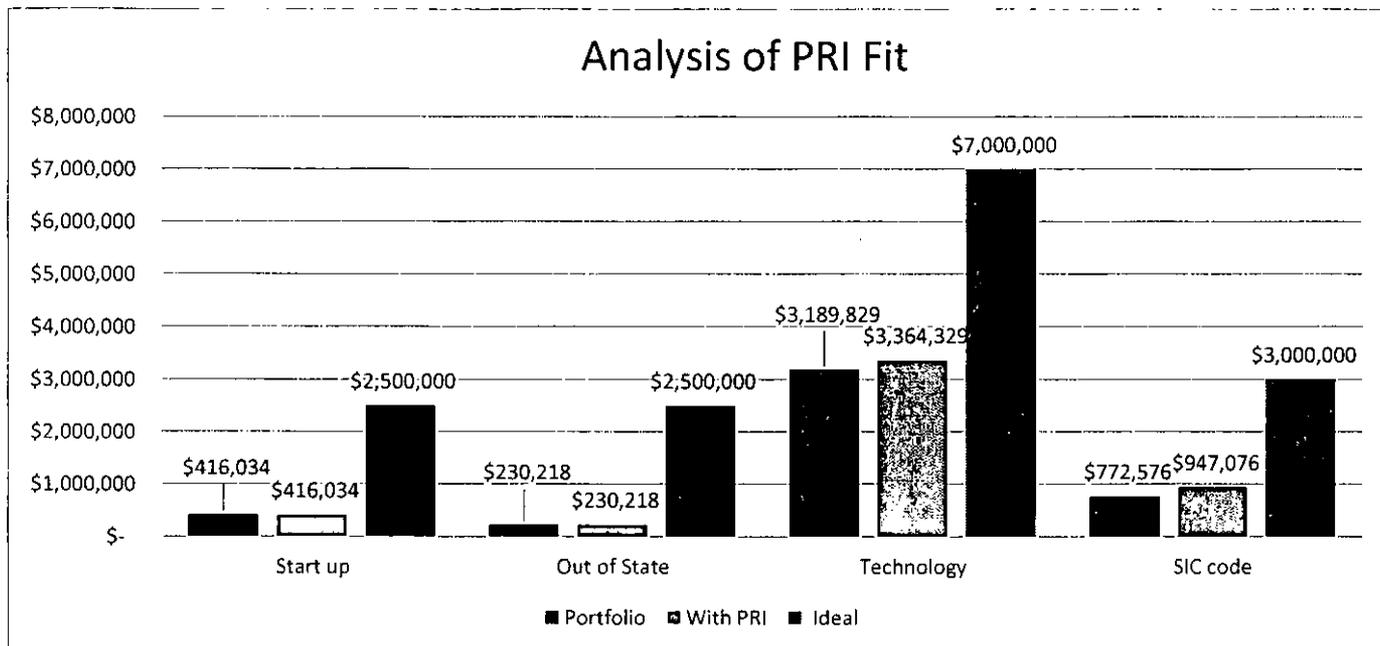
COLLATERAL ANALYSIS

1st lien UCC vs. equipment being installed

LTV Calculations

Based on loan amount of \$174,500 divided by \$174,500 the LTV = 100%.

Analysis of PRI Fit



PORTFOLIO FIT

Parameter	Measure	Parameters before PRI	Parameters after PRI funded
SIC Code – Dollar Value of investments from single SIC code	\$3,000,000.00	\$772,576.00	\$947,076.00
Out of State Investments	\$2,500,000.00	\$230,218.00	\$230,218.00
Technology	\$7,000,000.00	\$2,416,388.00	\$2,578,253.00
Start-ups	\$2,500,000.00	\$416,034.00	\$416,034.00
Credit Rating less than SEF standard	\$2,500,000.00	\$1,802,914.00	\$1,802,914.00

OTHER ITEMS

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SUMMARY**Strengths & Weaknesses (with mitigation)****STRENGTHS:**

1. Holy Guardian Angels School has over \$140,000 in cash assets.
2. They have been in operation since 1931
3. They have no debt and a strong leverage ratio

WEAKNESSES:

1. Net loss showing on financial returns for FYE 06/30/2018
MITIGATE: Holy Guardian Angels School has been in operation since 1931, they currently have no debt other than existing NESAs and the additional debt only increases the NESAs by \$1,635, have cash assets of over \$140,000

Reasons for Recommendation

1. Holy Guardian Angels School has been in operation since 1931
2. They currently have no debt
3. They have cash assets of over \$140,000
4. The NESA meets SEF's mission for energy efficiency

THE STAFF RECOMMENDS THE APPROVAL OF THIS LOAN REQUEST AS PRESENTED HEREIN.

**RECOMMENDED
BY:**

Program Related Investment Analyst

Date:

**RECOMMENDED
BY:**

Accountant

Date:

**RECOMMENDED
BY:**

President

Date:

**RECOMMENDED
BY:**

Program Related Investment Committee Chairman

Date:

TASK LIST

PRI Analyst		Date	Initials
Task			
Application fee paid			
Record UCC-1 in file			
Record mortgage in file			
Sign commitment letter with terms and conditions			
Sign loan docs			
<ul style="list-style-type: none"> Promissory note 			
<ul style="list-style-type: none"> Loan agreement 			
<ul style="list-style-type: none"> Incumbency certificate 			
<ul style="list-style-type: none"> Guaranty and surety ship agreement 			
<ul style="list-style-type: none"> Security agreement 			
<ul style="list-style-type: none"> Power of Attorney if needed 			
<ul style="list-style-type: none"> Mortgagees consent and waiver 			
Scan documents into CRM			
Scan underwriting approval into CRM			
Enter covenants into CRM and create tasks for follow-up			
Scan corporate tax returns into CRM			
Scan personal tax returns into CRM			
Scan personal financial statements into CRM			
Evidence of insurance listing SEF as loss payee in file			
Complete credit grading in CRM			
Scan PV Watts into CRM			
Scan project proposal into CRM			
Scan personal credit report into CRM			
Scan D&B into CRM			
Scan loan application into CRM			
Scan Articles of Incorporation into CRM			
Letter of credit			
1603 Assignment in file			
Has Press Release been completed			
Have pictures been taken			
Accounting			
Add approved loan to Commitment spreadsheet			
Collect 1% loan origination fee			
Disburse funds:			
<ul style="list-style-type: none"> Check request form 			
<ul style="list-style-type: none"> Post disbursement to CRM 			
<ul style="list-style-type: none"> Post disbursement to Commitment spreadsheet 			
Legal fees billed to customer			
Prepare amortization schedule			
Grant/rebates received			

LOAN APPROVAL AND UNDERWRITING FORM
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Date Prepared: September 27, 2018 **Prepared By:** Scott Destefon

Total PRI Amount: \$36,650 **Maximum Change Order Amount:** \$ 40,315

BORROWER INFORMATION

Company Name: Kraybill Mennonite School

DBA:

Business Address		Project Address	
Street Address	598 Kraybill Church Road	Street Address	598 Kraybill Church Road
Street Address 2		Street Address 2	
City	Mount Joy	City	Mount Joy
State	PA	State	PA
Postal Code	17552	Postal Code	17552

SIC	8211	EIN or TIN	82-5458135
NAICS		Business Type	501(c)(3) Not for Profit
Officers/Principals	Mary Jane Smith – Principal Mark Graybill – Board Chairman		
Related Entities:			

Business Description

Kraybill Mennonite School is a private Christian school located at 598 Kraybill Church Road, Mount Joy, PA. The school was originally founded in 1949, then in 2006 the school merged with the Lancaster Mennonite School. In 2018 the Kraybill Mennonite School Corporation was formed to make the Kraybill Mennonite campus a separate private school from the Lancaster Mennonite School. Per the projected proforma, following is the school's anticipated enrollment for the next five academic years: year 1 - 123, year 2 - 145, year 3 - 164, year 4 - 184, year 5 - 204. For school year 2016 Kraybill Campus and an enrollment of 203 students and in 2017 they had an enrollment of 159 students.

Additional Company Information

PRI SUMMARY

Total Exposure: \$36,650
Credit Grade: N/A

Narrative

This project is a lighting retrofit for Kraybill Mennonite School Corporation located at 598 Kraybill Church Road, Mount Joy, PA 17552. The project will be replacing existing inefficient light bulbs with new LED lights. The work will be completed by Richards Energy Group, an ESP of Sustainable Energy Fund.

MISSION EVALUATION

Project Type: Energy Efficiency

Energy Metrics: LED lighting

- Estimated Energy Savings – 86,756 kWh annually
- Estimated Annual Financial Savings – \$8,864.00 annually
- CO_{2-e} reduction of 65 metric tons
- Energy Calculations performed by Richards Energy Group

SUMMARY OF LOANS

New Loan #	Rate	Guar Y/N	Loan Type	Original Date
1) Kraybill Mennonite School	4.50%	N	Term	New

Mat/Exp	Amount Requested	Terms
Sixty (60) months from the date of the promissory note	\$36,650	Sixty (60) monthly P&I payments of \$683.27.

Purpose
This project is a lighting retrofit for Kraybill Mennonite School Corporation located at 598 Kraybill Church Road, Mount Joy, PA 17552. The project will be replacing existing inefficient light bulbs with new LED lights. The work will be completed by Richards Energy Group, an ESP of Sustainable Energy Fund.
Collateral
1st lien UCC vs. all equipment being installed.
Fees
A loan origination fee of \$360.00 will be payable at closing. The borrower will also be responsible for the legal expense incurred to document the loan.

Existing Loan # (if applicable)	Rate	Guar Y/N	Loan Type	Original Date
1)				

Mat/Exp	Amount Requested	Terms

Purpose
Collateral
Fees

Sources & Uses

<p>USE OF FUNDS: <u>\$36,650.00</u> – Replace existing light fixtures at Kraybill Mennonite School Corporation. \$36,650.00 – Total use of funds</p> <p>SOURCE OF FUNDS: <u>\$36,650.00</u> – 60-month, 4.50% fixed rate term loan from SEF \$36,650.00 – Total source of funds</p>

Business, Management, Number of Years in Business
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<p>The Kraybill Mennonite School was founded in 2018 and Mary Jane Smith is the Principal of the school. Mary Jane Smith reports to a board of directors that consists of the individuals listed below:</p> <p>Mark Graybill – Board Chairman Mark Kraenbring – Vice Chairman Tricia Smoker – Secretary Trish Hopper – Treasurer Melanie Rice Ross Patrick Rosalyn Gehman Sarah Schaefer</p>

SEF Relationship

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FINANCIAL ANALYSIS

Financial Statements:	DATE: Interim financials from 7/2018 through 8/2018, and prepared proforma PREPARER: Management TYPE: Management prepared financials												
Total Revenues:	Interim Financials for 2 months 8/2018 - \$294,245 / \$1,765,470 annualized Total revenue per the proforma supplied to us by the customer for the first five years of operations <table data-bbox="311 712 698 886"> <tr><td>Year 1</td><td>\$1,224,064</td></tr> <tr><td>Year 2</td><td>\$1,250,389</td></tr> <tr><td>Year 3</td><td>\$1,343,402</td></tr> <tr><td>Year 4</td><td>\$1,394,143</td></tr> <tr><td>Year 5</td><td>\$1,528,918</td></tr> </table>	Year 1	\$1,224,064	Year 2	\$1,250,389	Year 3	\$1,343,402	Year 4	\$1,394,143	Year 5	\$1,528,918		
Year 1	\$1,224,064												
Year 2	\$1,250,389												
Year 3	\$1,343,402												
Year 4	\$1,394,143												
Year 5	\$1,528,918												
Net Profit/Cash flow:	Interim Financials for 2 months 2018 - \$205,361 / \$1,232,166 annualized The net profit for the school is front loaded with most of the revenue being received at the start of the school year but the expenses are incurred over the 12-month school year. Net profit per proforma provided <table data-bbox="311 1251 678 1425"> <tr><td>Year 1</td><td>\$19,426</td></tr> <tr><td>Year 2</td><td>\$62,064</td></tr> <tr><td>Year 3</td><td>\$110,365</td></tr> <tr><td>Year 4</td><td>\$55,377</td></tr> <tr><td>Year 5</td><td>\$137,748</td></tr> </table>	Year 1	\$19,426	Year 2	\$62,064	Year 3	\$110,365	Year 4	\$55,377	Year 5	\$137,748		
Year 1	\$19,426												
Year 2	\$62,064												
Year 3	\$110,365												
Year 4	\$55,377												
Year 5	\$137,748												
Debt Service Coverage Ratio (must be 1.2X or greater):	<table data-bbox="402 1520 1058 1765"> <tr><td>Year 1</td><td></td></tr> <tr><td>Net Profit -----</td><td>\$19,426</td></tr> <tr><td>Annual Savings -----</td><td><u>\$8,864</u></td></tr> <tr><td>Total Cash Flow:</td><td>\$28,290</td></tr> <tr><td>SEF Loan 683.27x12 -----</td><td><u>\$8,199</u></td></tr> <tr><td>Total Debt Service:</td><td>\$8,199</td></tr> </table> <p>Year 1 Projected Debt Service Coverage Ratio (DSCR): \$28,290 divided by \$8,199 = 3.45X</p>	Year 1		Net Profit -----	\$19,426	Annual Savings -----	<u>\$8,864</u>	Total Cash Flow:	\$28,290	SEF Loan 683.27x12 -----	<u>\$8,199</u>	Total Debt Service:	\$8,199
Year 1													
Net Profit -----	\$19,426												
Annual Savings -----	<u>\$8,864</u>												
Total Cash Flow:	\$28,290												
SEF Loan 683.27x12 -----	<u>\$8,199</u>												
Total Debt Service:	\$8,199												

Year 2
 Net Profit ----- \$62,064
 Annual Savings ----- \$8,864
Total Cash Flow: \$70,928

SEF Loan 683.27x12 ----- \$8,199
Total Debt Service: \$8,199

Year 2 Projected Debt Service Coverage Ratio (DSCR): \$70,928 divided by \$8,199 = 8.65X

Year 3
 Net Profit ----- \$110,365
 Annual Savings ----- \$8,864
Total Cash Flow: \$119,229

SEF Loan 683.27x12 ----- \$8,199
Total Debt Service: \$8,199

Year 3 Projected Debt Service Coverage Ratio (DSCR): \$119,229 divided by \$8,199 = 14.54X

Year 4
 Nat Profit ----- \$55,377
 Estimated Total Savings from Project ----- \$8,864
Total Cash Flow: \$64,241

SEF Loan 683.27x12 ----- \$8,199
Total Debt Service: \$8,199

Year 4 Projected Debt Service Coverage Ratio (DSCR): \$64,241 divided by \$8,199 = 7.84X

Year 5
 Net Profit ----- \$137,748
 Annual Savings ----- \$8,864
Total Cash Flow: \$146,612

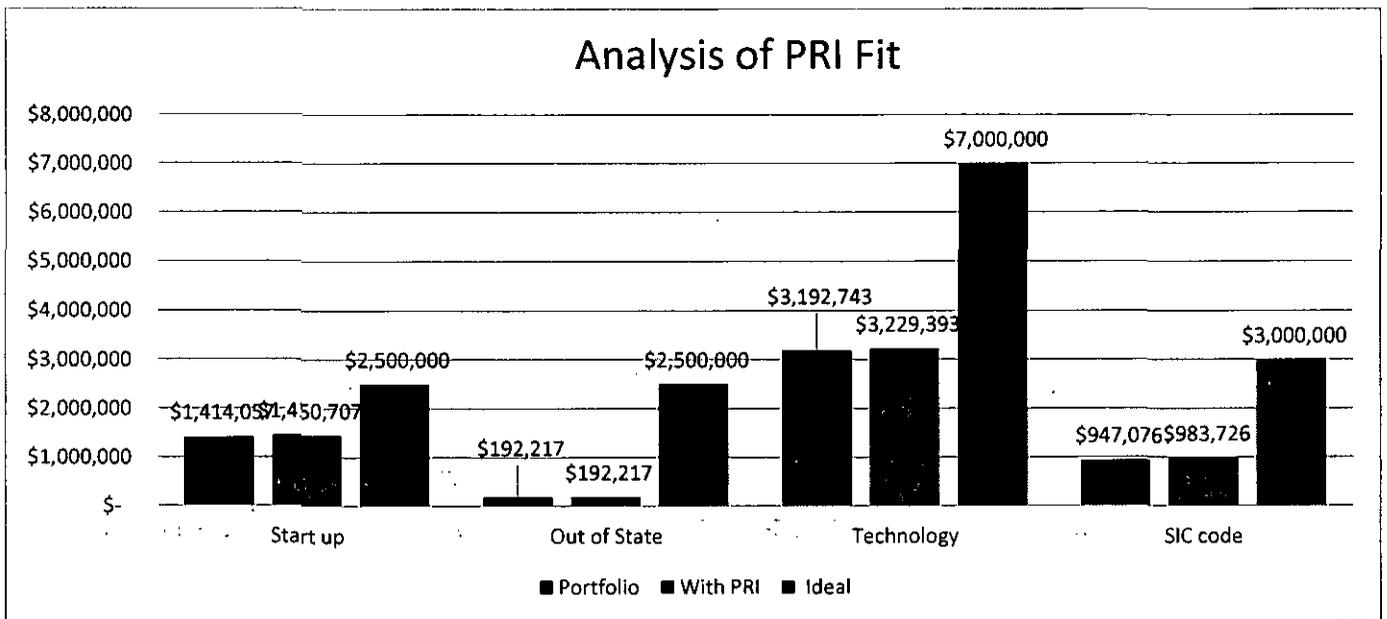
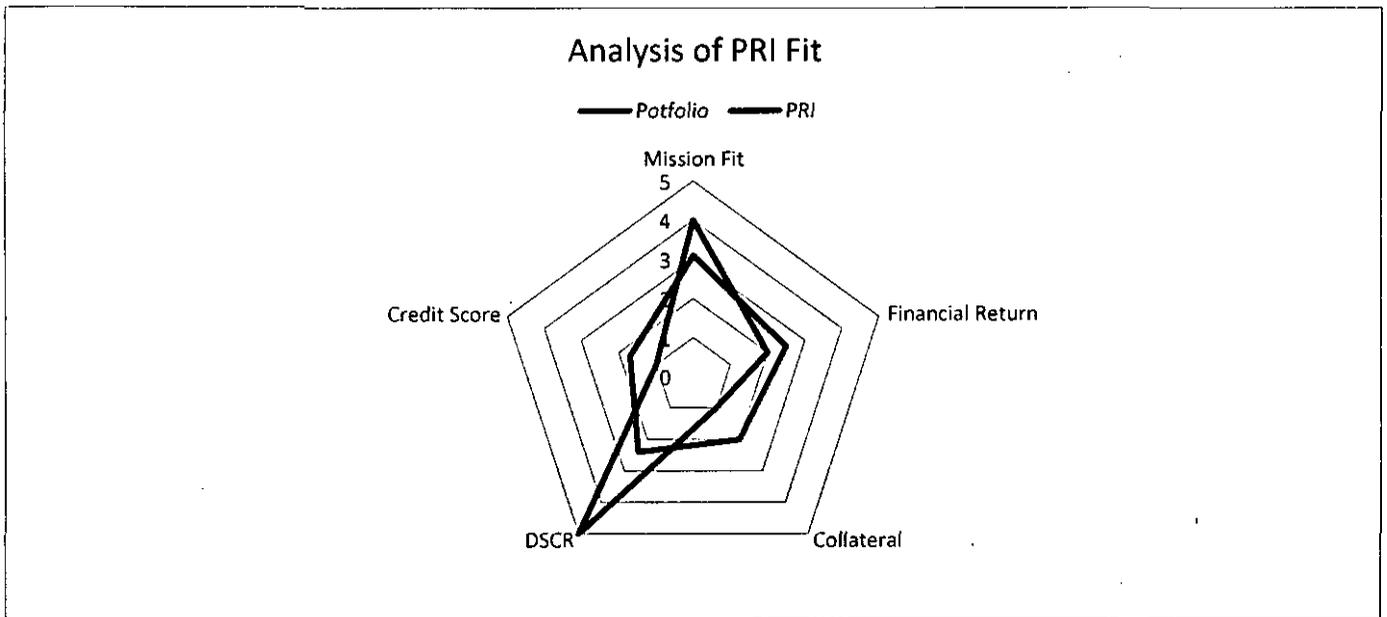
SEF Loan 683.27x12 ----- \$8,199
Total Debt Service: \$8,199

Year 5 Projected Debt Service Coverage Ratio (DSCR): \$146,612 divided by \$8,199 = 17.88X

Leverage Ratio (must be 4.0 or less):	Per 8/31/2018 balance sheet	
	Total Liabilities	\$0
	Net Worth	\$282,059
	2018 Total Liabilities divided by Net Worth give a leverage ratio of undefined	
Guarantor (s):	N/A	
Credit Rating of Guarantor:	N/A	
Assets of Guarantor:	N/A	
Sources of Repayment:	P Cash flow from savings S Cash flow from operations T Liquidation of equipment	
P=Primary; S=Secondary; T=Tertiary		

Lancaster Mennonite School

Financial Statements:	DATE: 6/30/2016, 6/30/2017 PREPARER: Brown, Schultz, Sheridan & Fritz TYPE: Accountants Review	
Total Revenues:	6/30/2017 – \$18,377,998 6/30/2016 – \$17,588,206	
Net Profit/Cash flow:	6/30/2017 – \$1,322,506/ \$1,734,413 6/30/2016 – (\$537,645) / (\$137,375)	
Debt Service Coverage Ratio (must be 1.2X or greater):	A. Debt Service Coverage Ratio (6/30/2017) Cash Flow @ FYE (6/30/2017) Net Profit ----- 1,322,506 Interest expense ----- <u>\$411,907</u> Total Cash Flow: \$1,734,413	



OTHER ITEMS

SUMMARY

Strengths & Weaknesses (with mitigation)

STRENGTHS:

Loan is cash flow positive
Strong projected DSCR for each year

WEAKNESSES:

The school is less than 2 years old.
MITIGATE: Projected DSCR is 3.45 for year 1, the school was a standalone school from 1949 to 2006,

Reasons for Recommendation

Loan is cash flow positive
The school's projected DSCR is strong at 3.45 for year 1
The school currently has no other debt

THE STAFF RECOMMENDS THE APPROVAL OF THIS LOAN REQUEST AS PRESENTED HEREIN.

**RECOMMENDED
BY:**

Program Related Investment Analyst

Date:

**RECOMMENDED
BY:**

Accountant

Date:

**RECOMMENDED
BY:**

President

Date:

**RECOMMENDED
BY:**

Program Related Investment Committee Chairman

Date:

RECEIVED

NOV 21 2018

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Net Zero Energy Small Commercial Building Analysis
Sustainable Energy Fund

Produced February 10, 2016

Updated March 9, 2016

Updated July 20, 2016

(updates highlighted in yellow)

Updated November 20, 2018

(updates highlighted by track changes)

Net Zero Building Feasibility Analysis

Study Purpose

Although Re:Vision Architecture demonstrated that construction of a 15,000 ft² Net Zero Ready and Net Zero Building has a simple payback of 14 and 9 years, respectively, the question remains whether it is feasible for Sustainable Energy Fund to construct such a building as a demonstration project. This analysis seeks to provide valuable data to be used in answering that question.

Background

SEF commissioned Re:Vision Architecture to test the feasibility of constructing a net zero energy multi-tenant 15,000 ft² office building in the Lehigh Valley. Specifically, SEF's interest was in construction of a building classified as NZEB:A. In an NZEB:A building, renewable energy sources within the footprint of the building provide as much as or more energy than the building will consume annually. A net zero energy (NZE) building is a building that generates as much energy as it uses in a year. A net zero ready (NZR) building is one that has been optimized for efficiency so that a minimal amount of energy generation capacity would need to be added to the building to be classified as net zero energy.

To ensure SEF was keeping with a product that might be desired by a traditional developer or a partially owner-occupied building, several key parameters were established. The key parameters shared by both the baseline and net zero energy design were: a single story facility that allowed for flexibility in reconfiguring tenant spaces, as much glass as possible, individual mechanical systems to allow for reconfiguring of the spaces, a leasable area that is close to the useable area, individual entrances and individual kitchens and bathrooms.

The first step in establishing the feasibility of constructing the NZE building was to design a baseline building to which the NZE building would be compared. The baseline building consumed 233,327 kWh/yr while the NZE ready building consumed 58% less energy, 97,444 kWh. Additionally, the peak demand was reduced from 184 kW in the baseline building to 37 kW in the optimized building. This is a peak demand reduction of 80%. By reducing the peak demand and energy consumption of the building, the size of solar photovoltaic system needed to achieve net zero was reduced more than 70% from 377 kW to 105 kW. The estimated annual electric utility bill was reduced 61% from \$27,452 in the baseline building to \$10,707 in the net zero ready building. By inclusion of a solar photovoltaic system making it a net zero energy building, the annual electric utility bill charges would be further reduced to solely include minimum bill fees, demand charges, Act129 and taxes. These annual distribution fees are estimated to be \$2,068.

The construction cost difference between the two building designs is a 1.5% premium; when the additional design and commissioning fees are included to achieve net zero ready, the premium increases to 7.9%. Details are included in Table 1 below.

Table 1 Construction Cost

	Baseline	Net Zero Ready
Construction Cost	\$3,304,020	\$3,353,370
		+1.5%
Total First Cost	\$3,725,930	\$4,019,700
		+7.9%

SEF conducted an RFP to select a design build team. The top three teams were interviewed. The team of TN Ward, Ashley McGraw, AKF-Inposse and Barry Isett was selected. The team was awarded a design build contract not to exceed \$4.25 million with the solar system. A contract was executed using AIA design build contract as the basis which was then modified by SEF's attorney. At 50% DD the project was estimated to cost over \$7 million. The Owner's Rep worked with the contractor, TN Ward to identify the items that were driving up the project cost. The Owner's Rep then worked with the contractor to identify a different method of construction that would lower the project cost. The project cost for construction is \$5.54 million. This figure includes a 5% contingency and will be used in the analysis. The contingency is only for SEF changes or modifications and does not include any contingency on behalf of the builder.

Analysis

To conduct the analysis, a 30 year model was created in excel and 100 different scenarios were tested to determine the project's return on investment and net present value. Several assumptions were used throughout the testing. These assumptions listed in Table 2 were consistent through all 100 scenarios.

Facility costs in Table 3 are based on estimates provided by Re:Vision Architecture as part of their study (with the exception of land acquisition cost). The land acquisition cost was based on a search for a 4 acre parcel of land located in the western side of the Lehigh Valley within reasonable proximity of SEF's current office. Several parcels of land were considered with the assistance of John Crampsie of NAI Summit. The cost per acre varied considerably based on location within the Lehigh Valley. The parcel of land chosen for the test is a 4.16 acre parcel located at 4250 Independence Drive, North Whitehall Industrial Park, Lot#7, Schnecksville. The parcel is located near Lehigh Carbon Community College in a professional business park and provided good value. The plot plan and sales sheet are included in Appendix A.

Table 2 Assumptions

Annual Lease Rate Increase	1.5%	From a project SEF evaluated
Leasable Space	\$12,000 10,000 ft²	
Expenses		
Leasing Agent Fee	2.5%	From a project SEF evaluated
Utilities	\$3,406	Re:Vision Estimate and LCA Tariff (water & sewer)
Landscaping & Snow Removal	\$3,660	Western Lehigh Landscaping for Snow Removal. Home Advisor for Landscaping.
Maintenance	\$6,154	RS Means

Insurance	\$6,972	HMK Insurance
Trash	\$350	RedStar
Taxes	\$30,000	\$2 SF Appraisal
Replacement Reserves	\$0.67/ft ²	From a project SEF evaluated
Avoided Rent	<u>56,604</u> 61,260	\$20.42 X <u>2,772</u> 3,000 ft ²
Classroom/Lobby/Kitchenette Space- Some of which will be billed as common space	46,966	~2,300 sq ft
Discount Rate	4%	
Building Value 30 years	\$ <u>4,532,594</u> 3,304,020	Construction cost of baseline building

Table 3 Facility Costs

Construction Cost	\$4,532,5943,353,370
Design Fees & Commissioning	\$483,430464,000
Soft Costs	\$50,000
Contingency	\$132,900*
Solar System	\$262,725Included
Land Acquisition	\$500,000403,520
Owners Representative	\$36,000124,820
Total	\$5,540,0004,808,425

* Need breakdown from Owner's Rep. Total does not equal sum of individual line items but is total cost provided by Owner's Representative

Tax Treatment

Based on conversations and email with CPA's from J.H. Williams, if we can demonstrate the building will be built to explore an activity that is furthering SEF's program, then they can probably make the case that the rental income should be considered program related income. Although there was no direct information on the IRS's Charitable Organization's website, the information below are two excerpts from the IRS's Private Foundation Program Related Income webpage. The entire content of the page is attached in Appendix B.

Program-related investments are those in which:

1. The primary purpose is to accomplish one or more of the foundation's exempt purposes,
2. Production of income or appreciation of property is not a significant purpose, and
3. Influencing legislation or taking part in political campaigns on behalf of candidates is not a purpose.

If an investment incidentally produces significant income or capital appreciation, this is not, in the absence of other factors, conclusive evidence that a significant purpose is the production of income or the appreciation of property.

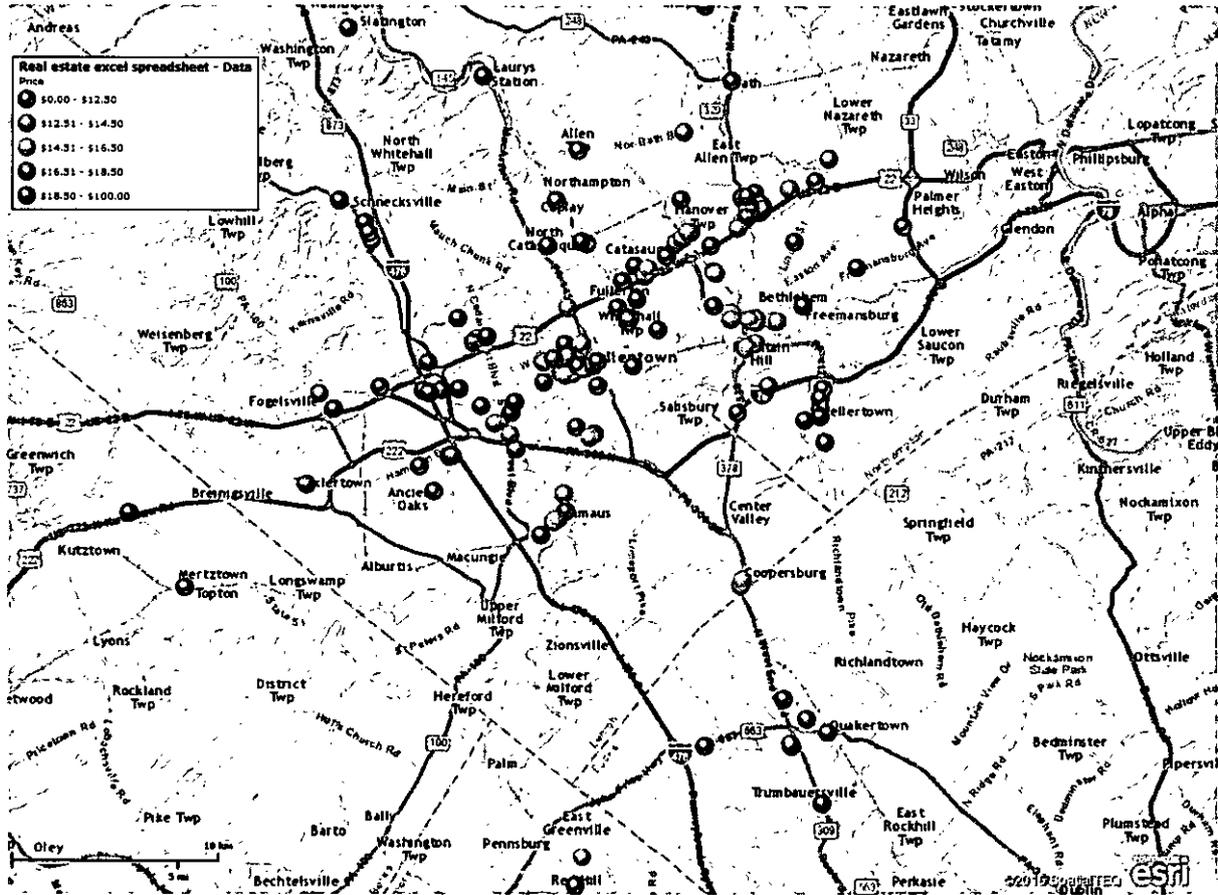
Lease Rates

A major component of the feasibility analysis is establishment of lease rates from expected market lows to highs. The actual rental rate will depend on location and market conditions at the time the building construction is complete. When queried, average leased rates for the proposed site varied greatly from realtor to realtor. Furthermore, realtors were unsure of or unable to place a value on net zero. Additionally, although large organizations like Jones Lang Lassalle were willing discuss their rental rates, their building stock is larger with more common space and amenities and not representative of SEF's proposed project.

Unlike the residential housings MLS, a single source for consistent real estate pricing was not identified. As a result, staff conducted a web search for buildings that were advertised for rent. Staff gathered data from 178 locations across the Lehigh Valley that were willing to publish their lease rate data. The average advertised lease rate was \$14.52/ft² and the median \$13.00/ft².

The results of that research is captured in Image 1 below.

Image 1



SEF's current facility is approximately 2,200 ft² at a lease rate of \$20.42/ft², which includes electricity. Current building leases in adjacent facilities are advertised at \$17.25/ft². A report published by LVEDC places lease rates for class B commercial buildings at \$18.84 SF and the appraisal forecast lease rates of \$17.93 SF.

Value of Electricity

For a 2,500 to 15,000 ft² facility, it is common for the lessee to pay for their own electricity. Current buildings are more likely to use more energy than a newly constructed one; Re:Vision estimated the average 15,000 ft² would consume 150% more energy than the baseline building. This analysis accounts for the fact that tenants would only be required to pay for energy consumption when they exceed a pre-negotiated threshold. To be conservative, the impact of the value of electricity is based on the baseline building as if it was constructed today to current building codes. Such a building would incur utility costs

of \$1.83 ft² to \$5.04 per ft² over the study period from 2016 through 2045. SEF factored in a utility cost of \$1.83 per square foot to the triple net lease and \$2.00 per square foot in value for no electric cost other than the minimum demand charge.

Minimum Lease Rate

When setting the minimum lease rate for the analysis, staff considered both the average lease rate of \$14.52 a facility currently for rent on Independence Drive, and the value of the avoided electricity, \$1.83. The office space currently for rent encompasses 17,600 ft² is class B on 2.57 acres. The facility appears to be at least 10 years old and has poor window area. This property is listed at \$13.75/ft². With these three factors combined, the minimum lease rate for the analysis was set at \$14.50/ft². The current class B space rate in the Lehigh Valley is \$14.59 and class A space is \$18.13. SEF's space being new and the only net zero facility in the Lehigh Valley will demand somewhere between class B and A rates, \$16.50 was used as the base rate on a triple net basis. An adder of \$2.00 per square foot was added for avoided electricity costs to bring the expect total on a triple net lease to \$18.50 per square foot.

Occupancy

Occupancy was assumed at 50% for the first year then models were run at both 85% and 90% occupancy for the next 30 years. Based on the LVEDC Q42015/Q12016 Lehigh Valley Commercial Real Estate Report the commercial vacancy rate for class B office space was 8.3%. Based on the 2018 Q2 Lehigh Valley Commercial Real Estate Report the commercial vacancy for office space is 8.2%. The current new office space is being built in urban centers. SEF's location will set it apart from the current trend. It would be hard for SEF to compete in the urban area's such as the Allentown NIZ, where developers are receiving local and state tax incentives to pay for development. SEF previously examined renting in the NIZ but developers had little interest in SEF as a client because of its tax status.

Calculations

An economic model was developed to include the capital and operating costs of the facility, as well as the time at which those costs are paid over a 30 year time horizon. In the interest of being conservative, at the conclusion of 30 years it was assumed the building would be worth today's construction cost of the baseline building. Based on the appraisal the final building value was reduced to the appraised value. One hundred scenarios in total were created. The major variables were occupancy at 85 and 95 percent, leasing rates from ~~\$14.50~~ \$16.00 to \$20.50 per square foot, SEF capital contribution from 1.5 to 5.54-7 million dollars and either 0 or 500,000 dollars in contributions by third parties. At this time, we have commitments from Lutron for special pricing on lighting controls and Richards Energy for lights at their costs. Once we receive the final equipment lists we will approach additional vendors looking for additional discounts.

Conclusion

SEF's Space

Determining the value of SEF's space was essential to developing a solid financial understanding of the project. At an estimated ~~3,000~~ 2,772 square feet plus educational, kitchenette and lobby (common space), SEF would occupy 33-20% of the building space. Assuming a discount rate of 4% and a lease rate equivalent to SEF's current lease with no annual escalation, the net present value of the space for SEF is \$1,112,275 1.4 million and a IRR of 5.81% including SEF's avoided rent. In the tables below that detail

Return On Investment (ROI) and Net Present Value (NPV) the tables are when the value of SEF's rent is included the tables are identified by noting either w/ SEF Rents or w/ Avoided Rent. The tables below were note updated.

Investment Income Ratio

Another factor in SEF's decision is the impact of the facility on the investment income ratio. If SEF can demonstrate the feasibility of the building's Net Zero status as well as prove that the status can be maintained, the rental income would be considered program related income by the IRS. Tables 4 and 5 below cite the first full year, 10th, 20th, and 30th year gross revenues, Program Related Income.

Table 4 Program Related Income at 85% Occupancy Not Updated

Rental Rate	85% Occupancy			
	1 st Full Year	Year 10	Year 20	Year 30
\$14.50	\$147,900	\$166,608	\$193,356	\$224,397
\$16.50	\$168,300	\$189,589	\$220,025	\$255,348
\$17.50	\$178,500	\$201,079	\$233,360	\$270,824
\$18.50	\$188,700	\$212,569	\$246,695	\$286,300
\$20.50	\$209,100	\$235,550	\$273,365	\$317,251

Table 5 Program Related Income at 90% Occupancy Not Updated

Rental Rate	90% Occupancy			
	1 st Full Year	Year 10	Year 20	Year 30
\$14.50	\$156,600	\$176,409	\$204,730	\$237,597
\$16.50	\$178,200	\$200,741	\$232,968	\$270,369
\$17.50	\$189,000	\$212,907	\$247,087	\$286,775
\$18.50	\$199,800	\$225,073	\$261,207	\$303,141
\$20.50	\$221,400	\$249,405	\$289,445	\$335,913

Price Reduction and/or Grants

The first noteworthy conclusion is that a reduction of the project price by \$500,000, either through a more competitive bid or through donations of equipment and grants, had a greater impact on the return on investment and net present value of the project than increasing the rent \$2.00/ft². For example, Table 6 below illustrates the values for the project at \$4,808,425.

Table 6 Not Updated

Rental Rate	\$16.50	\$18.50	\$16.50 w/ \$750k reduction
ROI	0.81%	1.51%	2.13%
NPV	(\$1,942,369)	(\$1,537,298)	(\$1,156,858)
ROI w/ SEF Rents	2.86%	3.50%	4.10%
NPV w/ SEF Rents	(\$721,709)	(\$316,638)	\$61,260

A determination has not been made as to the ability to obtain a combination of price reductions, equipment grants and donations worth \$500,000, but a couple areas of savings are easily identifiable.

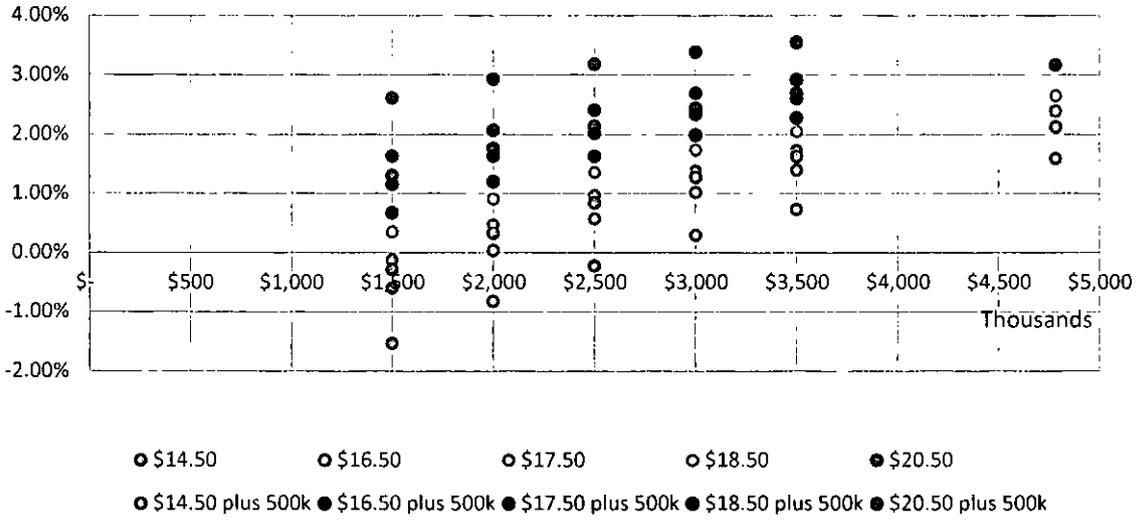
- The Solar System was quoted at \$2.50 per watt. A recent quote SEF obtained for a 249 kW system to be installed on a standing seam metal roof at Luzerne County Transit Authority was \$1.99 per watt, would result in a reduction of \$53,550. With SEF's contacts in the solar industry, it is likely SEF could obtain the solar system below market rates. Solar system is now included and SEF has an opportunity to purchase used solar panels from Johnson and Johnson at \$0.12/watt.
- As a new construction building, the potential exists to receive a custom utility incentive. The baseline building is estimated to use 233,336 kWh, while the optimized, or NZE, building is forecast to use 93,920 kWh annually. This is a reduction of 139,416 kWh. With a potential incentive of 10¢/kWh this would equate to a utility incentive of \$13,942.
- The Portland Cement Association has met with SEF and Re:Vision and expressed an interest in participating in the building if were constructed from concrete.
- Mitsubishi's representative expressed an interest in participating in the construction of the building if a Variable Refrigerant System is used for heating and cooling.
- Re:Vision has indicated flexibility in the design and commissioning fees.
- Other target companies include Independence Lighting and Energy Wall. Both companies are PA Manufacturers of energy efficiency equipment.

Return on Investment

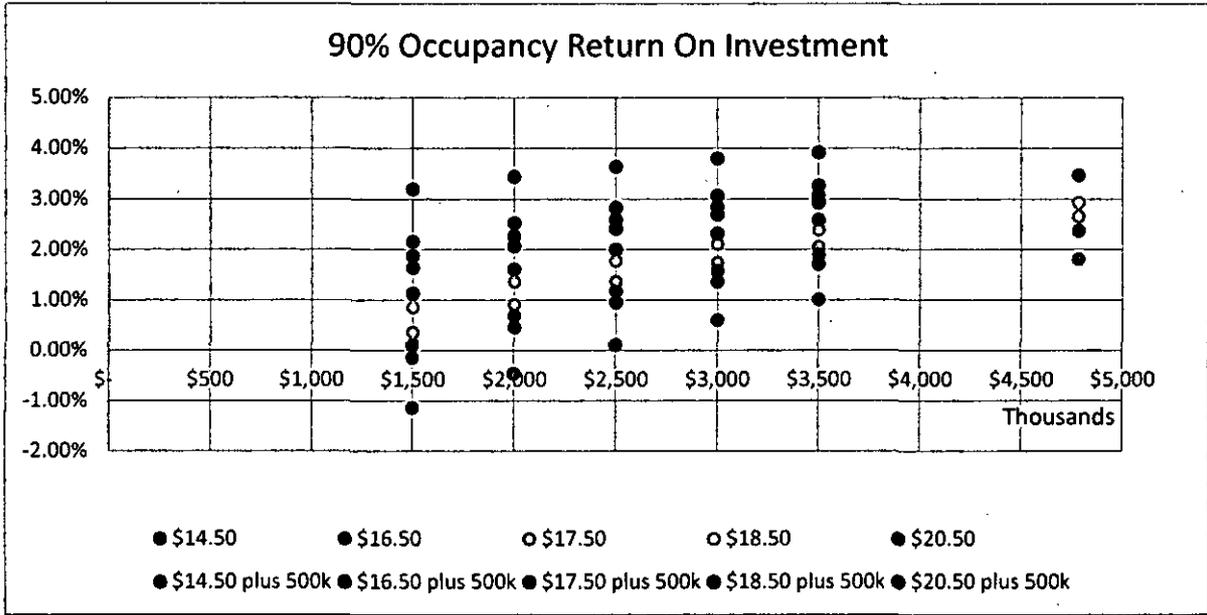
Graphs 1, 2, 3 and 4 are scatter plots which track return on investment compared to SEF capital contribution. The graphs track rents at \$14.50, \$16.50, \$17.50, \$18.50 and \$20.50. Additionally, the graphs track the same rents with a \$500,000 reduction in project cost. In relatively few scenarios is the return on investment negative. An investment on SEF's behalf of between \$2.5 and \$3.0 million would eliminate all scenario's in which the return on investment is negative. In scenarios with 90% occupancy, rental rates above \$17.50/ft² that include a \$500,000 reduction in project cost demonstrate there is minimal incremental gain in return on investment achieved by increasing SEF's investment beyond \$2.0 million. In fact, at \$20.50/ft², SEF's return decreases as it invests more upfront capital in the project.

Graph 1 ROI 85% Occupancy

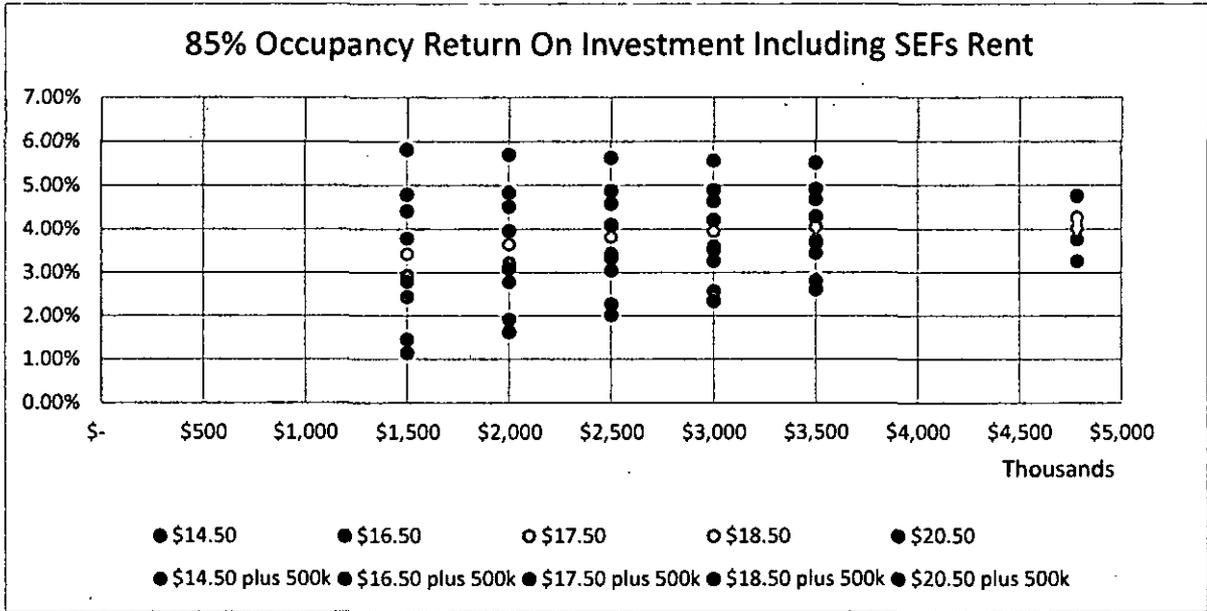
85% Occupancy Return On Investment



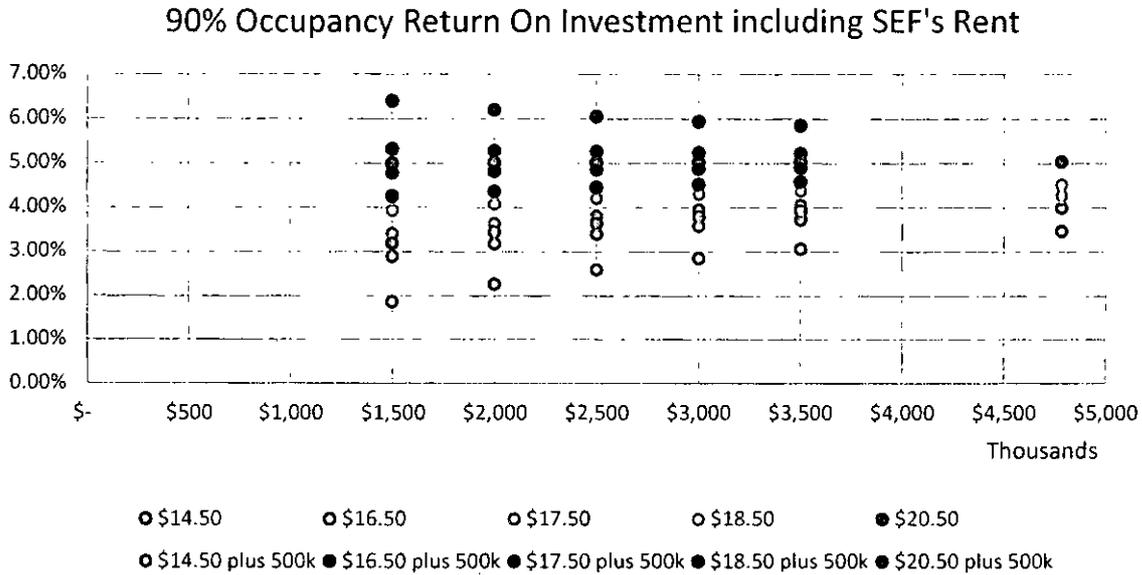
Graph 2 ROI 90% Occupancy



Graph 3 ROI with SEF's Rent 85% Occupancy



Graph 4 ROI with SEF Rents 90% Occupancy



Net Present Value

Another way to measure attractiveness of a project is to evaluate the stream of cash flows, taking into account the time value of money. In considering the time value of money, staff used SEF's current lease rate to account for the value of the facility occupied by SEF with a discount rate of 4%. Based on these conditions, the following scenarios in Table 7 and 8 produced a positive net present value. No scenario produced a positive net present value without placing a value on SEF's use of the space. The lowest lease rate to produce a positive net present value is \$14.71 with 90% occupancy, a \$3,000,000 contribution by SEF and \$500,000 in equipment donations and/or grants. If the buildings value in 30 years is set to the current appraised value, the minimum lease rate necessary to produce a positive net present value is \$18.13.

Table 7 NPV (these table have not been update to reflect appraised value)

Lease Rate	Occupancy	SEF Contribution
\$14.50	85%	
\$16.50	85%	
\$17.50	85%	
\$18.50	85%	\$3,500,000, \$4,782,425
\$20.50	85%	\$1,500,000, \$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000, \$4,782,425
\$14.50	90%	
\$16.50	90%	\$4,782,425
\$17.50	90%	\$3,500,000, \$4,782,425
\$18.50	90%	\$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000, \$4,782,425

\$20.50	90%	\$1,500,000, \$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000, \$4,782,425
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Table 8 NPV with \$500,000 Price Reduction, Equipment Grant, and/or Donation

Lease Rate	Occupancy	SEF Contribution
\$14.50	85%	
\$16.50	85%	\$2,500,000, \$3,000,000, \$3,500,000,
\$17.50	85%	\$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000
\$18.50	85%	\$1,500,000, \$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000
\$20.50	85%	\$1,500,000, \$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000
\$14.50	90%	
\$16.50	90%	\$1,500,000, \$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000
\$17.50	90%	\$1,500,000, \$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000
\$18.50	90%	\$1,500,000, \$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000
\$20.50	90%	\$1,500,000, \$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000

Positive Cash Flow

Positive cash flow was determined by calculating the effective gross income then subtracting the operating expense including replacement reserves to derive a net profit. The annual loan payment was then subtracted from net profit to determine the annual cash flow. Tables 9 and 10 below detail the scenarios in which the project generates a positive cash flow from the first complete year of occupancy. Positive cash flow is primarily driven by the lease rate and amount of the loan payment which is inversely related to the net of SEF's and third party contributions.

Table 9 Net Profit

Lease Rate	Occupancy	SEF Contribution
\$14.50	85%	\$3,500,000, \$4,782,425
\$16.50	85%	\$3,500,000, \$4,782,425
\$17.50	85%	\$3,000,000, \$3,500,000, \$4,782,425
\$18.50	85%	\$3,000,000, \$3,500,000, \$4,782,425
\$20.50	85%	\$2,500,000, \$3,000,000, \$3,500,000, \$4,782,425
\$14.50	90%	\$3,500,000, \$4,782,425
\$16.50	90%	\$3,000,000, \$3,500,000, \$4,782,425
\$17.50	90%	\$3,000,000, \$3,500,000, \$4,782,425
\$18.50	90%	\$3,000,000, \$3,500,000, \$4,782,425
\$20.50	90%	\$2,500,000, \$3,000,000, \$3,500,000, \$4,782,425

Table 10 Net Profit with \$500,000 Price Reduction, Equipment Grant, and/or Donation

Lease Rate	Occupancy	SEF Contribution
\$14.50	85%	\$3,000,000, \$3,500,000
\$16.50	85%	\$3,000,000, \$3,500,000
\$17.50	85%	\$2,500,000, \$3,000,000, \$3,500,000
\$18.50	85%	\$2,500,000, \$3,000,000, \$3,500,000
\$20.50	85%	\$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000
\$14.50	90%	\$3,000,000, \$3,500,000
\$16.50	90%	\$2,500,000, \$3,000,000, \$3,500,000
\$17.50	90%	\$2,500,000, \$3,000,000, \$3,500,000
\$18.50	90%	\$2,500,000, \$3,000,000, \$3,500,000
\$20.50	90%	\$2,000,000, \$2,500,000, \$3,000,000, \$3,500,000

Summary

There are scenarios that produce a positive ROI, positive annual cash flow and a positive net present value for SEF's potential investment in a net zero energy small commercial office building. A minimum lease rate of \$18.50 at 90% occupancy with an SEF investment of \$3.0 million and third party contributions of \$500,000 would produce a 4.14% ROI with a NPV of \$74,998 and positive annual cash flow. Alternatively, with a lease rate of \$16.37 with an SEF investment of \$2.75 million and third party contributions of \$500,000, the project would still produce a positive cash flow and ROI of 0.63%, without including any offset for SEF's use of the facility. These results are sensitive to the net project cost to SEF, occupancy and lease rate. The occupancy and lease rate, as well as the land costs, are all driven by location. Now that an economic model exists for the facility, staff can model the impacts of different locations.

Data Tables

Occupancy	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Lease Rate	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50
Contributions	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -
SEF Capital	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 4,782,425
Construction Loan	\$ 3,282,425	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ -
Permanent Loan	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ 782,425	\$ -
IRR	-1.53%	-0.28%	-0.82%	0.33%	-0.22%	0.84%	0.30%	1.27%	0.73%	1.63%	1.59%
NPV	\$ (2,209,464)	\$ (1,685,790)	\$ (2,143,445)	\$ (1,619,771)	\$ (2,077,426)	\$ (1,553,752)	\$ (2,011,407)	\$ (1,487,733)	\$ (1,945,389)	\$ (1,421,714)	\$ (1,776,060)
IRR w/ Avoided Rent	1.47%	2.79%	1.92%	3.09%	2.28%	3.33%	2.57%	3.52%	2.81%	3.67%	3.27%
NPV w/ Avoided Rent	\$ (988,804)	\$ (465,130)	\$ (922,785)	\$ (399,111)	\$ (856,766)	\$ (333,092)	\$ (790,747)	\$ (267,073)	\$ (724,728)	\$ (201,054)	\$ (555,400)
Program Related Income	\$ 147,900	\$ 147,900	\$ 147,900	\$ 147,900	\$ 147,900	\$ 147,900	\$ 147,900	\$ 147,900	\$ 147,900	\$ 147,900	\$ 147,900
Occupancy	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Lease Rate	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50
Contributions	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -
SEF Capital	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 4,782,425
Construction Loan	\$ 3,282,425	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ -
Permanent Loan	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ 782,425	\$ -
IRR	-0.59%	0.67%	0.04%	1.20%	0.58%	1.63%	1.02%	1.99%	1.40%	2.28%	2.13%
NPV	\$ (1,826,296)	\$ (1,302,621)	\$ (1,760,277)	\$ (1,236,602)	\$ (1,694,258)	\$ (1,170,584)	\$ (1,628,239)	\$ (1,104,565)	\$ (1,562,220)	\$ (1,038,546)	\$ (1,392,892)
IRR w/ Avoided Rent	2.44%	3.79%	2.78%	3.96%	3.05%	4.10%	3.27%	4.21%	3.44%	4.29%	3.77%
NPV w/ Avoided Rent	\$ (605,635)	\$ (81,961)	\$ (539,616)	\$ (15,942)	\$ (473,598)	\$ 50,077	\$ (407,579)	\$ 116,095	\$ (341,560)	\$ 182,114	\$ (172,231)
Program Related Income	\$ 168,300	\$ 168,300	\$ 168,300	\$ 168,300	\$ 168,300	\$ 168,300	\$ 168,300	\$ 168,300	\$ 168,300	\$ 168,300	\$ 168,300

Occupancy	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Lease Rate	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
Contributions	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -
SEF Capital	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 4,782,425
Construction Loan	\$ 3,282,425	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ -
Permanent Loan	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ 782,425	\$ -
IRR	-0.12%	1.15%	0.47%	1.63%	0.97%	2.02%	1.38%	2.34%	1.73%	2.60%	2.39%
NPV	\$ (1,634,711)	\$ (1,111,037)	\$ (1,568,692)	\$ (1,045,018)	\$ (1,502,673)	\$ (978,999)	\$ (1,436,655)	\$ (912,980)	\$ (1,370,636)	\$ (846,962)	\$ (1,201,307)
IRR w/ Avoided Rent	2.93%	4.29%	3.21%	4.40%	3.44%	4.48%	3.61%	4.55%	3.76%	4.60%	4.03%
NPV w/ Avoided Rent	\$ (414,051)	\$ 109,623	\$ (348,032)	\$ 175,642	\$ (282,013)	\$ 241,661	\$ (215,994)	\$ 307,680	\$ (149,976)	\$ 373,699	\$ 19,353
Program Related Income	\$ 178,500	\$ 178,500	\$ 178,500	\$ 178,500	\$ 178,500	\$ 178,500	\$ 178,500	\$ 178,500	\$ 178,500	\$ 178,500	\$ 178,500

Occupancy	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Lease Rate	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50
Contributions	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -
SEF Capital	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 4,782,425
Construction Loan	\$ 3,282,425	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ -
Permanent Loan	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ 782,425	\$ -
IRR	0.35%	1.64%	0.91%	2.07%	1.36%	2.41%	1.74%	2.69%	2.05%	2.92%	2.66%
NPV	\$ (1,443,127)	\$ (919,453)	\$ (1,377,108)	\$ (853,434)	\$ (1,311,089)	\$ (787,415)	\$ (1,245,070)	\$ (721,396)	\$ (1,179,051)	\$ (655,377)	\$ (1,009,723)
IRR w/ Avoided Rent	3.42%	4.79%	3.65%	4.83%	3.82%	4.87%	3.96%	4.89%	4.07%	4.91%	4.27%
NPV w/ Avoided Rent	\$ (222,467)	\$ 301,207	\$ (156,448)	\$ 367,226	\$ (90,429)	\$ 433,245	\$ (24,410)	\$ 499,264	\$ 41,609	\$ 565,283	\$ 210,937
Program Related Income	\$ 188,700	\$ 188,700	\$ 188,700	\$ 188,700	\$ 188,700	\$ 188,700	\$ 188,700	\$ 188,700	\$ 188,700	\$ 188,700	\$ 188,700

Occupancy	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%
Lease Rate	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50
Contributions	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -
SEF Capital	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 4,782,425
Construction Loan	\$ 3,282,425	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ -
Permanent Loan	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ 782,425	\$ -
IRR	1.31%	2.62%	1.77%	2.94%	2.14%	3.19%	2.45%	3.39%	2.70%	3.56%	3.17%
NPV	\$ (1,059,958)	\$ (536,284)	\$ (993,939)	\$ (470,265)	\$ (927,921)	\$ (404,246)	\$ (861,902)	\$ (338,227)	\$ (795,883)	\$ (272,209)	\$ (626,554)
IRR w/ Avoided Rent	4.42%	5.81%	4.51%	5.70%	4.58%	5.62%	4.64%	5.56%	4.68%	5.51%	4.76%
NPV w/ Avoided Rent	\$ 160,702	\$ 684,376	\$ 226,721	\$ 750,395	\$ 292,740	\$ 816,414	\$ 358,758	\$ 882,433	\$ 424,777	\$ 948,452	\$ 594,106
Program Related Income	\$ 209,100	\$ 209,100	\$ 209,100	\$ 209,100	\$ 209,100	\$ 209,100	\$ 209,100	\$ 209,100	\$ 209,100	\$ 209,100	\$ 209,100
Occupancy	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Lease Rate	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50	\$ 14.50
Contributions	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -
SEF Capital	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 4,782,425
Construction Loan	\$ 3,282,425	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ -
Permanent Loan	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ 782,425	\$ -
IRR	-1.13%	0.12%	-0.46%	0.69%	0.12%	1.17%	0.60%	1.57%	1.01%	1.90%	1.82%
NPV	\$ (2,050,667)	\$ (1,526,993)	\$ (1,984,648)	\$ (1,460,974)	\$ (1,918,629)	\$ (1,394,955)	\$ (1,852,611)	\$ (1,328,936)	\$ (1,786,592)	\$ (1,262,918)	\$ (1,617,263)
IRR w/ Avoided Rent	1.87%	3.20%	2.28%	3.45%	2.60%	3.65%	2.86%	3.81%	3.07%	3.93%	3.48%
NPV w/ Avoided Rent	\$ (830,007)	\$ (306,333)	\$ (763,988)	\$ (240,314)	\$ (697,969)	\$ (174,295)	\$ (631,950)	\$ (108,276)	\$ (565,932)	\$ (42,257)	\$ (396,603)
Program Related Income	\$ 156,600	\$ 156,600	\$ 156,600	\$ 156,600	\$ 156,600	\$ 156,600	\$ 156,600	\$ 156,600	\$ 156,600	\$ 156,600	\$ 156,600

Occupancy	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Lease Rate	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50
Contributions	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -
SEF Capital	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 4,782,425
Construction Loan	\$ 3,282,425	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ -
Permanent Loan	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ 782,425	\$ -
IRR	-0.14%	1.13%	0.45%	1.61%	0.95%	2.00%	1.36%	2.32%	1.71%	2.59%	2.38%
NPV	\$ (1,645,596)	\$ (1,121,921)	\$ (1,579,577)	\$ (1,055,903)	\$ (1,513,558)	\$ (989,884)	\$ (1,447,539)	\$ (923,865)	\$ (1,381,520)	\$ (857,846)	\$ (1,212,192)
IRR w/ Avoided Rent	2.90%	4.26%	3.19%	4.37%	3.41%	4.46%	3.59%	4.53%	3.74%	4.58%	4.01%
NPV w/ Avoided Rent	\$ (424,935)	\$ 98,739	\$ (358,917)	\$ 164,758	\$ (292,898)	\$ 230,776	\$ (226,879)	\$ 296,795	\$ (160,860)	\$ 362,814	\$ 8,469
Program Related Income	\$ 178,200	\$ 178,200	\$ 178,200	\$ 178,200	\$ 178,200	\$ 178,200	\$ 178,200	\$ 178,200	\$ 178,200	\$ 178,200	\$ 178,200
Occupancy	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Lease Rate	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
Contributions	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -
SEF Capital	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 4,782,425
Construction Loan	\$ 3,282,425	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ -
Permanent Loan	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ 782,425	\$ -
IRR	0.36%	1.64%	0.91%	2.07%	1.37%	2.42%	1.74%	2.70%	2.06%	2.93%	2.66%
NPV	\$ (1,443,060)	\$ (919,386)	\$ (1,377,041)	\$ (853,367)	\$ (1,311,022)	\$ (787,348)	\$ (1,245,003)	\$ (721,329)	\$ (1,178,984)	\$ (655,310)	\$ (1,009,656)
IRR w/ Avoided Rent	3.42%	4.79%	3.65%	4.83%	3.82%	4.86%	3.96%	4.89%	4.07%	4.91%	4.27%
NPV w/ Avoided Rent	\$ (222,400)	\$ 301,275	\$ (156,381)	\$ 367,293	\$ (90,362)	\$ 433,312	\$ (24,343)	\$ 499,331	\$ 41,676	\$ 565,350	\$ 211,004
Program Related Income	\$ 189,000	\$ 189,000	\$ 189,000	\$ 189,000	\$ 189,000	\$ 189,000	\$ 189,000	\$ 189,000	\$ 189,000	\$ 189,000	\$ 189,000

Occupancy	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Lease Rate	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50	\$ 18.50
Contributions	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -
SEF Capital	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 4,782,425
Construction Loan	\$ 3,282,425	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ -
Permanent Loan	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ 782,425	\$ -
IRR	0.86%	2.16%	1.37%	2.53%	1.78%	2.83%	2.12%	3.07%	2.40%	3.26%	2.93%
NPV	\$ (1,240,524)	\$ (716,850)	\$ (1,174,505)	\$ (650,831)	\$ (1,108,486)	\$ (584,812)	\$ (1,042,467)	\$ (518,793)	\$ (976,449)	\$ (452,774)	\$ (807,120)
IRR w/ Avoided Rent	3.95%	5.33%	4.10%	5.29%	4.22%	5.26%	4.32%	5.24%	4.39%	5.23%	4.53%
NPV w/ Avoided Rent	\$ (19,864)	\$ 503,810	\$ 46,155	\$ 569,829	\$ 112,174	\$ 635,848	\$ 178,193	\$ 701,867	\$ 244,212	\$ 767,886	\$ 413,540
Program Related Income	\$ 145,944	\$ 145,944	\$ 145,944	\$ 145,944	\$ 145,944	\$ 145,944	\$ 145,944	\$ 145,944	\$ 145,944	\$ 145,944	\$ 145,944
Occupancy	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Lease Rate	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50	\$ 20.50
Contributions	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -
SEF Capital	\$ 1,500,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000	\$ 3,500,000	\$ 3,500,000	\$ 4,782,425
Construction Loan	\$ 3,282,425	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ -
Permanent Loan	\$ 3,282,425	\$ 2,782,425	\$ 2,782,425	\$ 2,282,425	\$ 2,282,425	\$ 1,782,425	\$ 1,782,425	\$ 1,282,425	\$ 1,282,425	\$ 782,425	\$ -
IRR	1.87%	3.19%	2.28%	3.45%	2.60%	3.64%	2.86%	3.80%	3.07%	3.92%	3.47%
NPV	\$ (835,452)	\$ (311,778)	\$ (769,433)	\$ (245,759)	\$ (703,415)	\$ (179,740)	\$ (637,396)	\$ (113,722)	\$ (571,377)	\$ (47,703)	\$ (402,048)
IRR w/ Avoided Rent	5.00%	6.41%	5.02%	6.21%	5.02%	6.06%	5.03%	5.95%	5.04%	5.86%	5.04%
NPV w/ Avoided Rent	\$ 385,208	\$ 908,882	\$ 451,227	\$ 974,901	\$ 517,246	\$ 1,040,920	\$ 583,264	\$ 1,106,939	\$ 649,283	\$ 1,172,957	\$ 818,612
Program Related Income	\$ 167,004	\$ 167,004	\$ 167,004	\$ 167,004	\$ 167,004	\$ 167,004	\$ 167,004	\$ 167,004	\$ 167,004	\$ 167,004	\$ 167,004

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Appendix A
Property Sales Sheet
And
Property Plot

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Appendix B
IRS Webpage

