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**VOLUNTEER ENERGY SERVICES, INC.**  
Pickerington, Ohio

**Consolidated Financial Statements  
For the years ended December 31, 2007 and 2006  
and Independent Auditors' Report Thereon**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Volunteer Energy Services, Inc.  
Pickerington, Ohio

We have audited the accompanying consolidated balance sheets of Volunteer Energy Services, Inc. (Company) as of December 31, 2007 and 2006 and the related consolidated statements of operations and retained earnings and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Volunteer Energy Services, Inc. as of December 31, 2007 and 2006 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*SCHNEIDER DOWNS & CO., INC.*

Columbus, Ohio  
May 1, 2008

Schneider Downs & Co., Inc.  
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VOLUNTEER ENERGY SERVICES, INC.

CONSOLIDATED BALANCE SHEETS

	December 31	
	2007	2006
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ 158,117
Derivatives	606,940	-
Trade accounts receivable	24,977,082	20,448,685
Inventory	3,242,270	3,724,669
Prepaid expenses	21,216	36,985
Total Current Assets	28,847,508	24,368,456
PROPERTY AND EQUIPMENT, NET	1,045,254	48,379
OTHER ASSETS		
Note receivable - officers	152,000	97,000
Security deposits	207,922	109,882
	359,922	206,882
	<u>\$ 30,252,684</u>	<u>\$ 24,623,717</u>

		December 31	
		2007	2006
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Line of credit		\$ 8,645,216	\$ 8,718,402
Accounts payable		12,535,869	10,666,192
Accrued expenses		934,585	841,260
Income taxes payable		-	112,382
Total Current Liabilities		22,115,670	20,338,236
<b>MORTGAGE PAYABLE</b>		724,473	-
<b>MINORITY INTEREST</b>		167,043	-
<b>SHAREHOLDER'S EQUITY</b>			
<b>COMMON STOCK</b>			
No par value, \$5 stated value, 200 shares authorized, 100 shares issued and 49 shares outstanding		500	500
<b>RETAINED EARNINGS</b>		8,044,998	5,084,981
		8,045,498	5,085,481
<b>TREASURY STOCK, 51 shares at cost</b>		(800,000)	(800,000)
		7,245,498	4,285,481
		<u>\$ 30,252,684</u>	<u>\$ 24,623,717</u>

See notes to the consolidated financial statements.

VOLUNTEER ENERGY SERVICES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
NATURAL GAS SALES	\$ 92,684,346	\$ 71,020,994
COST OF PURCHASED GAS	<u>84,551,145</u>	<u>65,869,180</u>
Gross Profit	8,133,201	5,151,814
OPERATING EXPENSES	<u>4,537,297</u>	<u>3,592,070</u>
Operating Profit	3,595,904	1,559,744
OTHER INCOME (EXPENSE)		
Change in fair value of derivatives	606,940	-
Interest income	269,391	324,287
Interest expense	(522,709)	(666,277)
Loss on disposal of property and equipment	<u>(2,612)</u>	<u>-</u>
	<u>351,010</u>	<u>(341,990)</u>
Income Before Minority Interest	3,946,914	1,217,754
MINORITY INTEREST LOSS	<u>5,864</u>	<u>-</u>
Net Income	3,952,778	1,217,754
RETAINED EARNINGS		
Beginning of year	5,084,981	3,913,227
Distributions	<u>(992,761)</u>	<u>(46,000)</u>
End of year	<u>\$ 8,044,998</u>	<u>\$ 5,084,981</u>

See notes to the consolidated financial statements.

VOLUNTEER ENERGY SERVICES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 3,952,778	\$ 1,217,754
Adjustments to reconcile net income to net cash provided by operating activities:		
Settlement agreement	-	(1,089,547)
Loss on disposal of property and equipment	2,612	-
Depreciation	26,887	14,503
Change in fair value of derivatives	(606,940)	-
Minority interest loss	(5,864)	-
Changes in operating assets and liabilities		
Accounts receivable - trade	(4,528,397)	7,040,569
Accounts receivable - other	-	11,500
Inventory	482,399	1,390,150
Prepaid expenses	15,769	34,195
Deposits	(98,040)	(76,298)
Accounts payable	1,869,677	(3,742,258)
Accrued expenses	93,325	(168,267)
Income taxes payable	(112,382)	(1,149,854)
Net Cash Provided By Operating Activities	<u>1,091,824</u>	<u>3,482,447</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,026,374)	(28,892)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on line of credit	(73,186)	(3,878,730)
Note receivable - officers advance	(55,000)	(24,250)
Distributions	(992,761)	(46,000)
Proceeds from mortgage note	724,473	-
Member contribution from minority interest	172,907	-
Net Cash Used In Financing Activities	<u>(223,567)</u>	<u>(3,948,980)</u>
Net Decrease In Cash And Cash Equivalents	(158,117)	(495,425)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>158,117</u>	<u>653,542</u>
End of year	<u>\$ -</u>	<u>\$ 158,117</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 528,383	\$ 671,698
Cash paid for income taxes	\$ 112,382	\$ 1,149,854

See notes to the consolidated financial statements.



VOLUNTEER ENERGY SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

NOTE 1 - ORGANIZATION

Volunteer Energy Services, Inc. (VESI) was incorporated in the State of Ohio on March 2, 2001. VESI was formed to purchase, transport and market natural gas to consumers located in Ohio and surrounding states.

LJC Real Estate Holdings, LLC (LJC) was formed in 2007 to build and own a facility to be used by VESI as its corporate offices. LJC is owned by the shareholder of VESI and is a variable interest entity, with VESI qualifying as the primary beneficiary. VESI guarantees the debt of LJC.

VE Tax Consultants, LLC (VETC) was formed in 2007 to assist customer with sales tax exemption filings. During 2007, VETC had no operating activity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently followed by management in the preparation of the consolidated financial statements follows.

**Principles of Consolidation** - The accompanying consolidated financial statements include the accounts of VESI, its wholly owned subsidiary VETC, and the variable interest entity LJC (collectively the Company). All significant intercompany transactions and account balances have been eliminated.

**Use of Estimates** - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents** - For purposes of the statements of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Company maintains amounts of cash in three accounts within one financial institution that at times may exceed federally insured limits.

**Trade Accounts Receivable** - The Company records accounts receivable when gas is shipped, and they are presented in the balance sheet net of any allowance for doubtful accounts. Accounts receivable are written-off when they are determined to be uncollectible. Any allowance for doubtful accounts is estimated based on the Company's historical losses, the existing economic conditions in the industry and the financial stability of the customers. As of December 31, 2007 and 2006, no allowance was deemed necessary.

**Inventory** - Inventory consists of natural gas and is priced at the lower of cost, first-in, first-out (FIFO) or market.

VOLUNTEER ENERGY SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment - The Company carries property and equipment at cost. Depreciation is provided using the straight-line method for financial reporting purposes at rates based on estimated useful lives ranging from five to thirty-nine years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized, while expenditures for repairs and maintenance are charged to expense as incurred.

Revenue Recognition - Revenue is recorded based on the actual volume of natural gas shipped to customers using contractual rates.

Derivatives - From time to time, the Company may utilize derivative instruments, consisting of swaps, floors and collars, to attempt to reduce its exposure to changes in commodity prices. The Company does not invest in derivatives for speculative purposes. The Company accounts for its derivatives in accordance with Statement of Financial Accounting Standard (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities, as amended*. SFAS No. 133 requires that all derivative instruments be recognized as assets or liabilities in the balance sheet, measured at fair value. The accounting for changes in the fair value of a derivative depends on both the intended purpose and the formal designation of the derivative. Designation is established at the inception of a derivative, but subsequent changes to the designation are permitted. The Company has elected not to designate any of its derivative financial contracts as accounting hedges and, accordingly, has accounted for these derivative financial contracts using mark-to-market accounting. Changes in fair value of derivative instruments that are not designated as cash flow hedges are recorded in other income (expense) as change in fair value of derivatives.

In addition to the above financial transactions, the Company is a party to various physical commodity contracts for the sale of natural gas that cover varying periods of time and have varying pricing provisions. Under SFAS No. 133, as amended, these various physical commodity contracts qualify for the normal purchases and normal sales exception and therefore, are not subject to hedge accounting or mark-to-market accounting. The financial impact of these various physical commodity contracts is included in revenues at the time of settlement, which in turn affects average realized natural gas prices.

Income Taxes - Effective January 1, 2006, the Company elected to be taxed under the subchapter S provisions of the Internal Revenue Code. Accordingly, the Company does not record federal or state income taxes, as these amounts are paid by the shareholder.

Concentrations - Sales to one customer represented approximately 17% and 27% of the Company's sales for 2007 and 2006, respectively. This customer also accounts for approximately 19% and 32% of the accounts receivable balance at December 31, 2007 and 2006, respectively. The Company purchases approximately 57% of its natural gas from one supplier.

VOLUNTEER ENERGY SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

NOTE 3 - DERIVATIVES

Presented below is a summary of the Company's natural gas derivative financial contracts at December 31, 2007, with natural gas prices expressed in dollars per million British thermal units (\$/MMBtu) and notional natural gas volumes in million British thermal units per month (MMBtu). As indicated, the Company does not have any financial derivative contracts that extend beyond February 2008.

<u>Maturity Date</u>	<u>Instrument Type</u>	<u>Total Volumes</u>	<u>Strike Price</u>	<u>Fair Value Asset/ (Liability)</u>
2/1/08	Natural gas swap	500,000	\$ 10.00	\$ 195,500
2/27/08	Natural gas swap	300,000	\$ 8.12	258,000
1/29/08	Natural gas swap	200,000	\$ 8.60	211,200
12/27/08	Natural gas Swap	80,000	\$ 7.38	16,640
1/29/08	Natural gas swap	150,000	\$ 7.50	(74,400)
Total fair value				\$ <u>606,940</u>

The natural gas prices shown in the above table are based on the corresponding NYMEX index and have been valued using actively quoted prices and quotes obtained from the counterparties to the derivative agreements. The above prices represent a weighted average of several contracts entered into and are on a per MMBtu. The volumes shown above reflect net volumetric positions contracts with a single counterparty that provide for netting of all settlement amounts.

In January 2008, the Company entered into a natural gas swap for 100,000 MMBtu with a strike price of \$7.80 that the Company settled on February 5, 2008 by paying \$19,600.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Building	\$ 784,157	\$ -
Leasehold improvements	32,074	-
Office furniture and equipment	174,123	105,431
	<u>990,354</u>	<u>105,431</u>
Less accumulated depreciation	69,100	57,052
	<u>921,254</u>	<u>48,378</u>
Land	124,000	-
	<u>\$ 1,045,254</u>	<u>\$ 48,379</u>

VOLUNTEER ENERGY SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

NOTE 5 - NOTE RECEIVABLE - OFFICERS

The note receivable-officers is non-interest-bearing and unsecured. The note is due upon demand, but the Company does not expect to receive payments in 2008.

NOTE 6 - LINE OF CREDIT

The Company maintains a \$30,000,000 line of credit with a bank that requires interest-only payments monthly at the London Inter Bank Offering Rate (LIBOR) plus 2.25% (6.71% at December 31, 2007). The line, which is due in August 2008, is secured by substantially all assets of the Company and is guaranteed by the shareholder. The Company is required to maintain certain financial covenants in accordance with the line, the most significant of which is a fixed-charge coverage ratio. The Company is currently in the process of renewing the line of credit and expects it to be renewed under similar terms.

The Company also has the following letters of credit outstanding at December 31, 2007, which are secured by the line of credit:

<u>Expiration Date</u>	<u>Amount</u>
March 31, 2008	\$ 250,000
June 1, 2008	213,000
October 15, 2008	450,000
November 5, 2008	143,000
December 31, 2008	650,000
	<u>\$ 1,706,000</u>

On April 1, 2008, the letter of credit for \$450,000 expiring on October 15, 2008 was reduced to \$250,000 and the maturity date was changed to September 1, 2008. The \$250,000 letter of credit expiring in March 2008 was renewed for \$350,000 until December 31, 2008. In January 2008, the Company entered into two additional letters of credit for \$900,000 and \$750,000 that will expire in September 2008. In March 2008, the Company entered into an additional letter of credit for \$570,000, which will expire in September 2008.

VOLUNTEER ENERGY SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

NOTE 7 - LOAN AGREEMENT

In October 2006, the Company entered into a \$1,000,000 loan agreement with another bank to serve as collateral for letters of credit. The loan requires interest at the prime lending rate plus 2% (9.25% at December 31, 2007) and is secured by a guarantee by the shareholder. At December 31, 2007 and 2006, there were no balances outstanding on this loan, however, the loan served as collateral for letters of credit totaling \$1,000,000 and \$400,000, respectively. The loan matured in September 2007 and was renewed under similar terms through March 2009.

NOTE 8 - MORTGAGE PAYABLE

In 2007, LJC entered into a loan with a bank for the construction of an office building. As of December 31, 2007, the draws on the loan totaled \$724,473. Interest only payments are being made through April 2008 at the LIBOR plus 2% (6.845% at December 31, 2007). LJC expects to close on the construction loan in April and convert it to a thirty year mortgage. The loan is secured by land and a building with a cost of approximately \$908,000. Upon closing the loan, the Company anticipates monthly payments, including interest, will be between \$6,000 and \$8,000. Interest expense on the loan approximated \$13,000 for the year ended December 31, 2007.

NOTE 9 - LEASES

The Company had an operating lease agreement for 3,748 square feet of office space located in Gahanna, Ohio. The lease, which expired in July 2007, required monthly payments of \$3,500.

The Company had a sublease agreement with the Energy Cooperative of Ohio (ECO) for a portion of the office space. The sublease agreement was effective through July 2007 and required monthly lease payments from ECO of approximately \$850. A new agreement was established for VESI's new facility, which is effective from September 2007 through September 2010 and requires a monthly lease payment of \$1,500.

Net rent expense under these agreements for 2007 and 2006 was \$46,745 and \$34,077, respectively. In 2008, VESI is scheduled to receive payments of \$18,000 under the sublease agreement.

NOTE 10 - UNCERTAINTIES

At December 31, 2005, the Company had receivables and payables of \$280,357 and \$1,369,904, respectively, related to activities with Dynegy Inc. In 2002, Dynegy Inc., which was the largest supplier of natural gas for the Company, discontinued its third party marketing and trade business and canceled its firm requirements contract with the Company. The Company believed that it had a breach of contract claim against Dynegy Inc. due to high replacement gas costs, and therefore withheld payments to Dynegy. In March 2007, the Company and Dynegy reached a settlement agreement that consisted of a mutual release of all claims and balances owed. The result of this release on the Company's books was a reduction in the 2006 cost of purchased gas totaling \$1,089,547.

VOLUNTEER ENERGY SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

NOTE 11 - PURCHASE COMMITMENTS

At December 31, 2007, the Company has committed to purchase 200,000 decatherm (dth) of natural gas as follows:

<u>Month</u>	<u>dth</u>	<u>Dollars</u>
January 2008	100,000	\$ 775,000
February 2008	100,000	783,000
Total	200,000	\$ 1,558,000

NOTE 12 - VARIABLE INTEREST ENTITIES

During 2007, the Company implemented Financial Accounting Standards Board Interpretation (FIN) No. 46(R), *Consolidation of Variable Interest Entities*, as a result of the formation LJC. The Company determined upon the formation of LJC that VESI was the primary beneficiary, and therefore determined that the consolidation requirements of FIN 46(R) apply. The effect of this consolidation on the Company's consolidated balance sheet at December 31, 2007 was an increase in assets of \$908,157, an increase in liabilities of \$741,114 and the creation of minority interest of \$167,043. The liabilities of LJC consolidated by the Company do not represent additional claims on the Company's general assets; rather they represent claims against the specific assets of LJC. Likewise, the assets of LJC consolidated by the Company do not represent additional assets available to satisfy claims against the Company's general assets.

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Volunteer Energy Services, Inc.  
Profit & Loss  
January through December 2006

	Jan 06	Feb 06	Mar 06	Budgeted Apr 06	Budgeted May 06	Budgeted Jun 06	Budgeted Jul 06	Budgeted Aug 06	Budgeted Sep 06	Budgeted Oct 06	Budgeted Nov 06	Budgeted Dec 06	TOTAL
Ordinary Income/Expense													
Income													
Sales	1,826.29	1,639.38	1,246.02	69,000.00	75,000.00	15,000.00	15,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	182,812.64
Fee	10,240,180.21	10,929,260.04	15,059,612.53	12,597,456.31	10,600,426.43	10,600,263.42	11,541,124.72	12,022,178.75	12,348,207.76	16,248,804.37	21,822,792.75	21,822,792.75	48,229,292.75
Total Income	10,241,996.50	12,568,500.42	16,305,858.55	23,194,912.62	18,200,852.86	25,600,266.82	26,542,249.44	28,044,357.50	28,356,415.52	32,248,808.74	37,822,785.75	37,822,785.75	179,072,838.82
Cost of Goods Sold													
Balancing Fee	200,000.13	319,114.03	232,021.05	95,440.00	32,540.77	31,447.59	36,064.12	29,792.13	39,693.79	95,749.61	130,471.27	163,072.79	1,444,839.47
Commission	346,046.86	383,714.43	536,686.03	237,417.15	163,185.97	146,201.06	145,879.63	154,178.85	180,577.94	179,571.76	252,978.50	316,765.17	2,785,444.16
Fuel Purchase	14,247,032.80	15,817,748.81	16,035,097.06	13,306,625.28	10,488,641.89	10,110,026.52	10,630,905.05	11,716,176.89	11,232,191.91	13,418,953.72	19,408,230.89	18,429,494.09	94,726,716.31
Fuel Purchase Management Fee	30,435.11	25,000.00	37,238.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	32,594.83
Pooling Fee	15,236.99	8,799.46	8,879.46										32,594.83
Transaction Cost	239,713.52	281,081.39	245,678.31	340,089.00	200,000.00	200,000.00	180,000.00	160,000.00	160,000.00	160,000.00	200,000.00	289,000.00	2,637,159.22
Total COGS	15,128,985.51	16,785,425.14	16,807,979.87	14,007,019.43	10,810,367.65	10,514,915.17	10,838,006.66	12,814,727.76	11,597,266.64	13,399,273.25	20,018,690.66	19,178,265.04	171,383,811.20
Gross Profit	1,111,864.49	1,442,493.23	1,126,737.36	1,316,643.12	368,899.20	291,408.26	653,116.22	42,554.05	759,148.12	2,392,328.08	1,802,112.07	2,644,520.69	6,210,995.42
Expense													
Advertising	6,645.40	14,189.34	12,488.81										36,323.66
Automobile Expense	0.00	0.00	0.00										0.00
Bad Debt Expense	6,798.44	0.00	0.00										6,798.44
Bank Service Charges	2,863.60	4,093.82	3,796.83										10,653.36
Credit Support Fee	0.00	0.00	0.00										0.00
Equipment Rental	1,392.84	0.00	0.00										1,392.84
Insurance	17,281.52	46,389.63	49,128.31										111,779.66
Interest Access	1,298.30	1,370.51	\$96.77										3,065.38
Leases and Permits	0.00	0.00	0.00										0.00
Loan Closing Fee	8.00	0.00	0.00										8.00
Loan Expense	997.50	14,590.56	394.44										15,982.50
Miscellaneous	148.58	1,342.42	796.83										2,287.83
Office Equipment	822.49	612.00	0.00										1,434.49
Office Expense	35.41	0.00	0.00										35.41
Office Supplies	4,164.84	2,961.40	2,292.25										9,288.50
Payroll Expenses	20,779.78	18,462.21	17,402.36										56,644.35
Postage and Delivery	1,500.00	1,000.00	600.00										3,000.00
Printing and Reproduction	0.00	0.00	0.00										0.00
Professional Fees	-15,894.78	-9,448.82	8,672.54										-16,481.05
Rent	3,374.87	33,159.24	8,890.61										45,214.02
Repairs	0.00	0.00	0.00										0.00
Software	5,860.00	6,860.00	6,860.00										17,580.00
Taxes	0.00	37,422.84	0.00										37,422.84
Telephone	2,489.41	871.81	1,047.88										4,419.80
Travel	60.23	60.14	190.42										300.79
Travel & Ent	3,994.87	10,348.11	7,755.53										22,098.51
Utilities	1,074.87	1,623.30	1,258.63										4,156.80
Wages	224,138.60	228,763.44	229,207.79										701,109.83
Total Expense	263,082.67	411,671.06	349,256.76	297,282.00	171,036.00	171,036.00	191,035.00	171,035.10	171,035.00	191,035.00	171,035.00	21,023.27	2,765,578.89
Net Ordinary Income	818,801.82	-366,177.82	-2,176,027.06	-1,812,905.12	-539,894.20	120,373.25	462,081.22	-223,589.05	568,113.12	2,191,294.08	1,636,077.07	2,464,399.42	3,438,416.53
Other Income/Expense													
Interest Income	-69,894.37	-50,435.81	-52,870.20	-42,326.04	-53,256.00	-46,278.00	-36,314.40	-38,217.05	-34,812.79	-40,161.67	-38,419.94	-48,279.80	-646,027.18
Interest Expense	26,960.43	13,879.47	22,855.84	8,982.36	308.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72,634.39
Total Other Income	-42,713.84	-36,556.34	-30,014.36	-32,433.68	-52,949.71	-46,278.00	-36,314.40	-38,217.05	-34,812.79	-40,161.67	-38,419.94	-48,279.80	-473,342.79
Net Other Income	-42,713.84	-36,556.34	-30,014.36	-32,433.68	-52,949.71	-46,278.00	-36,314.40	-38,217.05	-34,812.79	-40,161.67	-38,419.94	-48,279.80	-473,342.79
Net Income	776,087.83	-396,734.16	-2,206,041.42	-1,845,338.80	-592,843.91	72,095.25	425,766.82	-261,806.11	534,100.33	2,151,132.41	1,607,657.13	2,406,099.62	2,965,073.74



Volunteer Energy Services, Inc.  
Profit & Loss Budget Overview  
January through December 2008

	Budgeted Jan 08	Budgeted Feb 08	Budgeted Mar 08	Budgeted Apr 08	Budgeted May 08	Budgeted Jun 08	Budgeted Jul 08	Budgeted Aug 08	Budgeted Sep 08	Budgeted Oct 08	Budgeted Nov 08	Budgeted Dec 08	TOTAL Jan - Dec 08
<b>Ordinary Income/Expenses</b>													
Income													
Fuel	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	156,000.00
Sales	18,438,709.66	18,980,446.16	18,238,620.02	12,801,486.64	19,823,544.47	10,817,827.14	11,480,342.03	11,894,384.86	12,289,082.52	16,148,171.88	21,701,182.33	21,448,228.10	177,882,480.74
Total Income	18,451,709.66	18,993,446.16	18,251,620.02	12,814,486.64	19,836,544.47	10,830,827.14	11,493,342.03	11,907,384.86	12,302,082.52	16,161,171.88	21,714,182.33	21,461,228.10	177,938,580.74
Expenses													
Cost of Goods Sold	13,826,573.56	14,129,602.76	13,737,889.84	13,308,864.78	14,466,054.72	10,110,019.46	10,531,006.48	11,718,823.41	11,232,206.41	13,416,010.79	19,448,246.53	16,428,824.77	144,126,038.32
Fuel Purchase	683,307.12	687,679.48	687,679.48	689,679.48	433,745.89	404,746.89	87,023.17	289,941.41	289,697.47	460,327.57	897,450.07	708,821.20	7,602,588.88
Transportation	17,508,871.70	17,084,178.23	16,552,500.32	14,007,218.11	18,030,400.87	10,514,998.31	10,380,023.03	12,079,184.42	11,589,718.32	13,886,282.80	20,075,038.88	18,719,577.87	177,282,633.79
Total COGS	13,826,573.56	14,129,602.76	13,737,889.84	13,308,864.78	14,466,054.72	10,110,019.46	10,531,006.48	11,718,823.41	11,232,206.41	13,416,010.79	19,448,246.53	16,428,824.77	144,126,038.32
Gross Profit	1,309,426.06	1,244,022.06	1,244,022.06	1,244,022.06	1,244,022.06	1,244,022.06	1,244,022.06	1,244,022.06	1,244,022.06	1,244,022.06	1,244,022.06	1,244,022.06	6,541,827.04
Expenses													
Advertising	13,787.82	5,190.00	7,493.27	10,046.23	18,130.26	5,419.32	7,898.83	6,702.26	8,307.87	4,981.70	14,211.00	8,471.26	107,407.06
Bank Service Charges	3,231.82	4,004.85	4,583.49	2,458.49	838.83	2,280.80	12,041.81	1,723.07	909.89	2,847.85	889.87	1,987.47	38,789.07
Depreciation Expense	9,289.17	11,985.17	11,573.02	27,308.86	17,873.36	10,876.32	13,250.86	15,088.70	14,497.25	18,130.26	17,282.81	21,023.27	21,023.27
Insurance	4,232.26	4,917.75	1,111.87	781.74	423.26	1,403.02	634.25	14.40	694.90	1,564.82	3,065.80	300.56	14,428.25
Internet Access	2,085.56	4,801.70	2,988.70	708.71	470.56	8,207.42	1,081.50	283.48	588.24	4,839.95	693.84	2,471.43	44,428.25
Miscellaneous	823.08	621.21	1,846.98	875.82	412.23	4,025.86	2,274.31	1,123.26	1,788.31	167.09	446.35	316.53	7,188.21
Office Equipment	745.08	2,246.61	1,487.84	875.82	2,898.87	3,356.14	2,079.17	1,123.26	1,841.56	3,283.70	3,283.70	1,719.48	22,500.58
Office Supplies	11,127.77	13,259.93	15,517.11	11,377.26	5,888.74	14,018.81	2,336.89	1,646.53	7,664.48	8,690.85	5,723.87	1,797.89	118,821.38
Payroll Expenses	3,043.84	89.55	642.82	2,489.82	2,728.42	18.39	4,542.85	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Postage and Delivery	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	3,600.00
Printing and Reproduction	581.81	12,701.63	7,286.78	4,823.56	19,315.89	4,235.81	4,542.85	22,042.32	17,586.40	18,068.88	27,266.82	11,850.42	144,548.18
Professional Fees	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	6,500.00	78,000.00
Rent	127.50	611.55	812.00	6,500.00	1,080.50	1,243.13	1,081.50	1,081.50	1,081.50	1,081.50	1,081.50	1,081.50	12,802.25
Repairs	5,850.00	5,850.00	5,850.00	5,850.00	5,850.00	5,850.00	5,850.00	5,850.00	5,850.00	5,850.00	5,850.00	5,850.00	70,200.00
Supplies	2,270.26	781.86	1,337.19	2,304.77	437.15	1,337.80	1,813.36	2,814.40	582.25	1,418.84	1,135.31	1,182.18	17,157.41
Telephone	4,889.50	5,594.85	5,114.87	6,315.95	6,213.25	4,094.30	5,371.27	5,518.70	4,745.92	10,333.56	7,173.31	5,839.58	83,728.38
Travel & Ent	119.21	4,010.58	285.36	410.81	410.22	418.47	139.44	308.88	428.26	1,075.18	1,044.84	1,640.21	7,170.28
Utilities	127,319.87	181,481.83	228,782.83	187,883.86	118,246.12	248,492.86	148,789.20	117,036.50	137,789.20	137,789.20	180,336.60	1,640.21	1,640.21
Wages	185,083.26	241,320.83	283,078.78	278,503.47	239,503.07	315,504.10	280,585.41	277,723.00	280,585.41	280,585.41	280,585.41	280,585.41	3,125,585.41
Total Expenses	1,744,141.72	1,889,332.98	1,889,332.98	1,889,332.98	1,889,332.98	1,889,332.98	1,889,332.98	1,889,332.98	1,889,332.98	1,889,332.98	1,889,332.98	1,889,332.98	3,412,680.08
<b>Net Ordinary Income</b>													
Other Income/Expenses													
Interest Expense	42,713.94	86,438.60	62,670.00	42,326.80	63,285.00	48,279.00	38,888.29	54,044.74	34,887.88	41,158.03	39,596.94	48,782.12	528,779.94
Interest Income	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	240,000.00
Total Other Income	62,713.94	106,438.60	82,670.00	62,326.80	83,285.00	68,279.00	58,888.29	74,044.74	54,887.88	61,158.03	59,596.94	68,782.12	768,779.94
<b>Net Other Income</b>													
Net Income	1,896,886.86	1,896,886.86	1,896,886.86	1,896,886.86	1,896,886.86	1,896,886.86	1,896,886.86	1,896,886.86	1,896,886.86	1,896,886.86	1,896,886.86	1,896,886.86	4,178,254.88