

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CASE NAME Sage Power Solutions, Inc.
CASE NUMBER 15-60073

PETITION DATE September 18, 2015

MONTHLY OPERATING REPORT SUMMARY FOR:

MONTH	MONTH: August			YEAR: 2015					
	September	October	November	December	January	February	March		
REVENUES (MOR-6)	-	-	-	-	-	-	-		
INCOME BEFORE INT; DEPREC./TAX (MOR-6)	-	-	(7,528.30)	(18,236.45)	(399,737.30)	(109,573.48)	(1,124.26)		
NET INCOME (LOSS) (MOR-6)	-	-	(7,528.30)	(18,236.45)	(503,651.35)	(109,573.48)	(1,124.26)		
PAYMENTS TO INSIDERS (MOR-9)	-	-	-	-	-	-	-		
PAYMENTS TO PROFESSIONALS (MOR-9)	-	-	-	-	-	-	-		
TOTAL DISBURSEMENTS (MOR-7)	-	-	1,250.00	261,089.72	28,537.16	58,891.22	22,713.01		

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED	EXP.	Are all accounts receivable being collected within terms?	Circle One no
AS OF SIGNATURE DATE	DATE	Are all post-petition liabilities, including taxes, being paid within terms?	Yes
CASUALTY	8/12/2016	Have any pre-petition liabilities been paid?	Yes
LIABILITY	8/12/2016	If so, describe: <u>Per court order allowing for certain payments</u>	
VEHICLE	YES () NO () NA (x)	Are all funds received being deposited into the DIP bank account?	Yes
WORKERS	YES () NO () NA (x)	Were any assets disposed of outside the normal course of business?	No
OTHER	YES () NO ()	If so, describe:	
		Are all U.S. Trustee Quarterly Fee Payments current?	Yes
		What is the status of the Plan of Reorganization?	

Plan filed and approved 4/15/2016

ATTORNEY NAME Hugh Ray III
FIRM NAME McKool Smith
ADDRESS 600 Travis Street, Suite 700
CITY, STATE, ZIP Houston, TX 77002
TELEPHONE 713-485-7315

I certify under penalty of perjury that the following complete
Monthly Operating Report (MOR), consisting of MOR-1 through
MOR-9 plus attachments, is true and correct.

SIGNED: *Loretta R. Cross* TITLE: Chief Restructuring Officer
Original Signature
Loretta R. Cross Date
Print Name of Signatory

NOTES:
The Plan of Reorganization has been filed and was approved on April 15, 2016.

UNITED STATES BANKRUPTCY COURT
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CASE NAME Sage Power Solutions, Inc.
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COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE *	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9/18/2015		September	October	November	December	January	February	March
CURRENT ASSETS									
Cash - Heartland	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash - Chase	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lease Security Deposit	33,500.00		33,500.00	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00	33,500.00
Net Trade Accounts Receivable	755,373.25		755,373.25	754,123.25	493,033.53	133,399.41	74,508.19	74,508.19	51,795.18
Prepaid Lease Expense	3,596.66		3,596.66	3,596.66	3,596.66	3,596.66	0.00	0.00	0.00
Deferred loss on sale-leaseback	(1,023.00)		(1,023.00)	(1,023.00)	(1,023.00)	(651.00)	(465.00)	(465.00)	(465.00)
TOTAL CURRENT ASSETS	791,446.91	-	791,446.91	790,196.91	529,107.19	169,845.07	107,543.19	107,543.19	84,830.18
FIXED ASSETS	1,215,856.93		1,215,856.93	1,215,856.93	1,215,856.93	1,215,856.93	-	-	-
Less Accumulated Depreciation & Amortization *	(189,243.91)		(189,243.91)	(189,243.91)	(189,243.91)	(258,946.47)	-	-	-
NET FIXED ASSETS**	1,026,613.02	-	1,026,613.02	1,026,613.02	1,026,613.02	956,910.46	-	-	-
OTHER ASSETS									
TOTAL OTHER ASSETS	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	1,818,059.93	-	1,818,059.93	1,816,809.93	1,555,720.21	1,126,755.53	107,543.19	107,543.19	84,830.18

Notes:

** Due to the sale of assets closed on 01/04/2016, the company performed a modified weighted-average purchase price allocation to reflect the asset sale. The company will perform a detailed purchase price allocation and record an impairment to FMV on remaining assets at a later date. Assets reported as stolen have been written off as a loss.

UNITED STATES BANKRUPTCY COURT
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CASE NAME Sage Power Solutions, Inc.
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COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE *	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	9/18/2015		September	October	November	December	January	February	March
LIABILITIES									
POST PETITION (MOR-4)									
Trade Accounts Payable				1,576.38	1,576.38	1,576.38	1,576.38	1,576.38	1,576.38
PRE-PETITION LIABILITIES									
Trade Accounts Payable	1,621,692.16		1,621,692.16	1,731,195.75	1,731,195.75	1,731,195.75	1,731,195.75	1,731,195.75	1,731,195.75
Accrued Liabilities	367,669.06		367,669.06	367,669.06	367,669.06	367,669.06	367,669.06	367,669.06	367,669.06
Net Intercompany	6,841,708.33		6,841,708.33	6,895,496.44	6,652,643.17	6,727,329.85	5,973,149.22	5,974,272.48	5,951,559.47
Sales Tax Payable	137,800.59		137,800.59	137,800.59	137,800.59	137,800.59	-	-	-
TOTAL PRE-PETITION LIABILITIES									
	8,968,870.14	-	8,968,870.14	9,132,161.84	8,889,308.57	8,963,995.25	8,072,014.03	8,073,137.29	8,050,424.28
TOTAL LIABILITIES	8,968,870.14	-	8,968,870.14	9,133,738.22	8,890,884.95	8,965,571.63	8,073,590.41	8,074,713.67	8,052,000.66
OWNER'S EQUITY									
Equity & Minority Interest									
Current Period Profit (Loss)	(813,180.09)		(813,180.09)	(979,298.17)	(997,534.62)	(1,501,185.98)	(109,573.48)	(110,697.74)	(110,697.74)
Retained Earnings at filing date	(6,337,630.12)								
Retained Earnings post filing date			(6,337,630.12)	(6,337,630.12)	(6,337,630.12)	(6,337,630.12)	(7,856,473.74)	(7,856,472.74)	(7,856,472.74)
TOTAL OWNER'S EQUITY	(7,150,810.21)	-	(7,150,810.21)	(7,316,928.29)	(7,335,164.74)	(7,838,816.10)	(7,966,047.22)	(7,967,170.48)	(7,967,170.48)
TOTAL LIABILITIES & OWNER'S EQUITY	1,818,059.93	-	1,818,059.93	1,816,809.93	1,555,720.21	1,126,755.53	107,543.19	107,543.19	84,830.18

Notes:

Change in Net Intercompany reflects the allocation of proceeds on the sale of assets to Enservco, post-petition professional and consulting fees and the collections of accounts receivable, and is not a pay down of intercompany payables.

UNITED STATES BANKRUPTCY COURT
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SCHEDULE OF POST-PETITION LIABILITIES

	FILING DATE 9/18/2015	MONTH `	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February	MONTH March
TRADE ACCOUNTS PAYABLE	-	-		1,576.38	1,576.38	1,576.38	1,576.38	1,576.38	1,576.38
TAXES PAYABLE									
Federal Payroll Taxes									
State Payroll Taxes									
Ad Valorem taxes									
Sales Taxes									
TOTAL TAXES PAYABLE	-	-	-	-	-	-	-	-	-
SECURED DEBT POST-PETITION									
ACCURED INTEREST PAYABLE									
ACCRUED PROFESSIONAL FEES *									
POST PETITION PREPAID RENT									
OTHER ACCRUED LIABILITIES									
TOTAL POST-PETITION LIABILITIES	-	-	-	1,576.38	1,576.38	1,576.38	1,576.38	1,576.38	1,576.38

Notes:

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AGING OF POST-PETITION LIABILITIES
MONTH

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM TAXES	OTHER
0 - 30		-	-	-	-	-
31 - 60		-	-	-	-	-
61 - 90		-	-	-	-	-
91 +		1,576.38	-	-	-	-
TOTAL	-	1,576.38	-	-	-	-

AGING OF ACCOUNTS RECEIVABLE

DAYS		September	October	November	December	January	February	March
0 - 30		-	-	-	-	-	-	-
31 - 60		181,235.65	-	-	-	-	-	-
61 - 90		206,059.72	174,610.65	-	-	-	-	-
91 +		368,077.88	579,512.60	493,033.53	133,399.41	74,508.19	74,508.19	51,795.18
TOTAL	-	755,373.25	754,123.25	493,033.53	133,399.41	74,508.19	74,508.19	51,795.18

Notes:

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STATEMENT OF INCOME (LOSS)

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO
		September	October	November	December	January	February	March	DATE
REVENUES									-
									-
TOTAL REVENUES (MOR-1)	-	-	-	-	-	-	-	-	-
OPERATING EXPENSES									-
									-
Bank Service Charge			300.00	-	242.50	-	-	-	542.50
Rent			7,000.00	-	-	-	-	-	7,000.00
Penalties and Interest			228.30	-	-	-	-	-	228.30
Professional Fees				15,966.06	21,249.45	-	1,124.26	-	38,339.77
Consulting Fees				1,490.00	2,835.61	-	-	-	4,325.61
Allocated Salary Expense				780.39	975.48	-	-	-	1,755.87
Allocated Insurance Expense*					19,388.78	-	-	-	19,388.78
Equipment relocation fees					22,960.56	-	-	-	22,960.56
Travel Expense					662.96	-	-	-	662.96
Quarterly Trustee Fees					325.00	-	-	-	325.00
Bad Debt Expense**					331,096.96	-	-	-	331,096.96
Gain on Sales Tax Settlement						(829,911.34)	-	-	(829,911.34)
Loss on Stolen Equipment						939,484.82	-	-	939,484.82
									-
TOTAL OPERATING EXPENSES	-	-	7,528.30	18,236.45	399,737.30	109,573.48	1,124.26	-	536,199.79
OPERATING INCOME	-	-	(7,528.30)	(18,236.45)	(399,737.30)	(109,573.48)	(1,124.26)	-	(536,199.79)
									-
									-
INCOME BEFORE INT, DEPR, TAX (MOR-1)	-	-	(7,528.30)	(18,236.45)	(399,737.30)	(109,573.48)	(1,124.26)	-	(536,199.79)
Depreciation Expense***					69,702.56				69,702.56
Interest Expense***					34,211.49				34,211.49
NET INCOME	-	-	(7,528.30)	(18,236.45)	(503,651.35)	(109,573.48)	(1,124.26)	-	(640,113.84)

Accrual Accounting Required, Otherwise Footnote with Explanation

* Footnote describing these expenses is mandatory

** Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

Notes:

* Insurance premiums were recorded as a prepaid asset on the parent's balance sheet and reported as a cash payment on the parent's MOR schedules. The expense amount for December reflects the allocation of post-petition premiums to the subsidiaries on a weighted-average basis in accordance with the company's accounting policy.

** The bad debt reserve was analyzed at year end in accordance with the company's accounting policy, and the expected recovery of outstanding accounts receivable has decreased, resulting in bad debt expense at year end.

*** Depreciation and interest expense for post-petition dates were recorded in December.

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STATEMENT OF INCOME (LOSS)

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO
		September	October	November	December	January	February	March	DATE
CASH, BEGINNING OF MONTH		-	-						-
RECEIPTS		-							
Accounts Receivable Collections			1,250.00	261,089.72	28,537.16	58,891.22	-	22,713.01	372,481.11
Other *									-
TOTAL RECEIPTS	-	-	1,250.00	261,089.72	28,537.16	58,891.22	-	22,713.01	372,481.11
DISBURSEMENTS									
AR collections deposited to parent account			1,250.00	261,089.72	28,537.16	58,891.22	-	22,713.01	372,481.11
									-
									-
									-
									-
									-
									-
									-
TOTAL DISBURSEMENTS FROM OPERATION	-	-	1,250.00	261,089.72	28,537.16	58,891.22	-	22,713.01	372,481.11
									-
									-
TOTAL DISBURSEMENTS *	-	-	1,250.00	261,089.72	28,537.16	58,891.22	-	22,713.01	372,481.11
NET CASH FLOW	-	-	-	-	-	-	-	-	-
CASH, END OF MONTH	-	-	-	-	-	-	-	-	-

Accrual Accounting Required, Otherwise Footnote with Explanation
* Numbers for the current month should balance (match) "Receipts" and "Checks/Other Disbursements" from MOR-8

Notes:

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CASH ACCOUNT RECONCILIATION

BANK NAME	March	March	March	March	March	TOTAL
ACCOUNT NUMBER	2100024278	513773619				
ACCOUNT TYPE	Heartland Checking	Chase Checking				
BANK BALANCE	\$ -	\$ -				\$ -
DEPOSITS IN TRANSIT						-
OUTSTANDING CHECKS						-
OTHER ADJUSTMENTS				-		-
ADJUSTED BANK BALANCE	-	-	-	-	-	-
BEGINNING CASH - PER BOOKS	-	-	-	-	-	-
RECEIPTS*	22,713.01					22,713.01
TRANSFERS BETWEEN ACCOUNTS						-
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR						-
ADJUSTMENT TO REFLECT LENDER SWEEP						-
CHECKS / OTHER DISBURSEMENTS *	(22,713.01)					(22,713.01)
ENDING CASH - PER BOOKS	-	-	-	-	-	-

* Numbers for the current month should balance (match) "Total Receipts" and "Total Disbursements" from MOR-7

Notes:

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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.

Also, for insiders, identify the type of compensation paid (e.g. salary, commission, bonus, etc.)

INSIDER: NAME / COMP TYPE	MONTH	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February	MONTH March
1. none				\$ -	\$ -			
2								
3								
4								
5								
6								
TOTAL INSIDERS	-	-	-	-	-	-	-	-

PROFESSIONALS	MONTH	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February	MONTH March
1. none								
2								
3								
4								
5								
6								
TOTAL PROFESSIONAL FEES	-	-	-	-	-	-	-	-

Notes: