

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
STATEMENT OF NET POSITIONS
AS OF NOVEMBER 30, 2021

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
ASSETS			
Unrestricted Funds			
Operating Account	0.00	130,844.34	130,844.34
Money Market Account	66,562.84	0.00	66,562.84
ICS Account	1,317,525.26	(798,477.61)	519,047.65
Lockbox Account	2,818,453.60	(2,815,445.34)	3,008.26
Total Unrestricted Funds	4,202,541.70	(3,483,078.61)	719,463.09
Restricted Funds			
Restricted Cash (PPA Collateral)	0.00	1,680,000.00	1,680,000.00
SCE FSR Letter of Credit Collateral	147,000.00	0.00	147,000.00
Debt Service Reserve Account	0.00	200,000.00	200,000.00
Total Restricted Funds	147,000.00	1,880,000.00	2,027,000.00
Total Cash	4,349,541.70	(1,603,078.61)	2,746,463.09
Accounts Receivable			
Southern California Edison	0.00	5,506,324.70	5,506,324.70
Southern California Edison (Escrow Account) ⁽¹⁾	0.00	2,988,674.05	2,988,674.05
Coachella Hills	0.00	27,383.17	27,383.17
Total Accounts Receivable	0.00	8,522,381.92	8,522,381.92
Accrued Revenue	0.00	1,535,616.04	1,535,616.04
Allowance for Doubtful Accounts ⁽²⁾	0.00	(1,165,504.29)	(1,165,504.29)
TOTAL ASSETS	4,349,541.70	7,289,415.06	11,638,956.76
LIABILITIES			
Accounts Payable			
Ace Printing	4,232.67	4,232.67	8,465.34
Arthur J Gallagher Insurance & co	51.63	51.63	103.25
Best, Best & Kreiger LLP	5,420.00	16,260.00	21,680.00
Burke Rix	0.00	12,927.77	12,927.77
Calpine Energy Solutions	0.00	21,588.70	21,588.70
Donald D. Dame	539.88	1,619.63	2,159.50
River City Bank	93.33	0.00	93.33
Southern California Edison	0.00	29,000.00	29,000.00
The Energy Authority	0.00	4,457,724.29	4,457,724.29
Vesper Energy	0.00	44,594.60	44,594.60
Net Energy Metering payables	0.00	5,072.69	5,072.69
Total Accounts Payable	10,337.50	4,593,071.97	4,603,409.47
Accrued Accounts Payable			
The Energy Authority	0.00	13,267.56	13,267.56
Total Accounts Payable	0.00	13,267.56	13,267.56
Due to Other Governments			
Coachella Valley Association of Governments	143,204.55	429,613.64	572,818.18
Utility Users Tax- Palm Springs	0.00	1,229,337.03	1,229,337.03
Electric Energy Surcharge (CDTFA)	0.00	23,599.93	23,599.93
Total Due to Other Governments	143,204.55	1,682,550.60	1,825,755.14
Loans Payable (short term)			
River City Bank	0.00	875,000.00	875,000.00
Total Loans Payable (short term)	0.00	875,000.00	875,000.00
PPA Collateral			
Terra-Gen	0.00	1,680,000.00	1,680,000.00
Total PPA Collateral	0.00	1,680,000.00	1,680,000.00
TOTAL LIABILITIES	153,542.05	8,843,890.13	8,997,432.17
NET POSITION			
Restricted Net Position	147,000.00	200,000.00	347,000.00
Unrestricted Net Position	4,048,999.65	(1,754,475.05)	2,294,524.59
TOTAL LIABILITIES AND NET POSITION	4,349,541.70	7,289,415.07	11,638,956.76

(1) Net Energy Metering customers' usage is monitored on a monthly basis, recorded in an escrow account and true-up at the end of each customer's relevant period (May 2022).
- If the NEM customer generated more electricity than used, DCE will pay the NET balance at the end of May 2022 at DCE's approved Net Surplus Compensation Rate; if the NEM customer used more electricity than generated, DCE will bill the net annual balance at the customer's metered rate.

(2) Accrued an offset of \$609,655 for the California Arrearage Payment Program (CAPP) allocation for COVID-19 bill relief. Funds are anticipated to be posted to customer accounts in February 2022.

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
REVENUES, EXPENSES, AND CHANGES IN NET POSITIONS
FOR THE PERIOD FROM JULY 1, 2021 TO NOVEMBER 30, 2021

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
REVENUES			
Electricity Sales ⁽¹⁾	0.00	22,995,077.42	22,995,077.42
Other Revenue	0.00	449,119.68	449,119.68
Investment Income	1,781.49	0.00	1,781.49
TOTAL REVENUES	<u>1,781.49</u>	<u>23,444,197.10</u>	<u>23,445,978.59</u>
EXPENSES			
Cost of Electricity			
Electricity Purchase	0.00	16,641,241.77	16,641,241.77
Resource Adequacy	0.00	4,078,671.25	4,078,671.25
Renewable Energy Credit Settlement	0.00	1,605,783.95	1,605,783.95
Market Charges	0.00	2,817,753.41	2,817,753.41
Total Cost of Electricity	0.00	25,143,450.38	25,143,450.38
Accounting / Bank Services	202.31	202.31	404.62
Legal Services	5,420.00	16,260.00	21,680.00
Professional Services			
AJ Gallagher & Co Insurance	175.00	175.00	350.00
Brown & Riding Insurance	58.13	58.13	116.25
Davis Farr LLP	487.50	1,462.50	1,950.00
SOCAL Edison	0.00	14,000.00	14,000.00
Total Professional Services	720.63	15,695.63	16,416.25
Insurance			
Total Insurance	3,896.63	3,896.63	7,793.25
Consultants			
Calpine Energy Solutions	42,384.11	127,152.34	169,536.45
Don Dame	0.00	10,766.00	10,766.00
The Energy Authority	0.00	574,177.21	574,177.21
Total Consultants	42,384.11	712,095.55	754,479.66
Outreach			
Burke Rix Communications	0.00	19,718.00	19,718.00
Total Outreach	0.00	19,718.00	19,718.00
Postage			
Ace Printing	3,035.44	3,035.44	6,070.88
Total Printing	3,035.44	3,035.44	6,070.88
Printing			
Ace Printing	5,060.87	5,060.87	10,121.73
Total Printing	5,060.87	5,060.87	10,121.73
Social Programs	0.00	20,615.00	20,615.00
Technology Costs	233.89	233.89	467.77
Registrations/Memberships			
Western Renewable Energy Generation Information System (WREGIS)	0.00	125.00	125.00
CA Community Choice Association	10,398.13	31,194.38	41,592.50
Total Registration/Memberships	10,398.13	31,319.38	41,717.50
Bad Debt Expense ⁽²⁾	0.00	689,852.33	689,852.33
Interest Expense	0.00	65,533.11	65,533.11
TOTAL EXPENSES	<u>71,351.99</u>	<u>26,726,968.49</u>	<u>26,798,320.48</u>
Excess of Revenues over Expenses	(69,570.50)	(3,282,771.39)	(3,352,341.89)
Net Position - Beginning of the Period	4,265,570.15	1,728,296.34	5,993,866.48
Net Position - End of the Period	<u>4,195,999.65</u>	<u>(1,554,475.05)</u>	<u>2,641,524.59</u>

(1) Electricity sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed

(2) Accrued an offset of \$609,655 for the California Arrearage Payment Program (CAPP) allocation for COVID-19 bill relief. Funds are anticipated to be posted to the customer accounts in February 2022.

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UNAUDITED FINANCIAL STATEMENTS
STATEMENT OF NET POSITIONS
AS OF NOVEMBER 30, 2021

ASSETS

Unrestricted Funds		
Operating Account	130,844.34	
Money Market Account	66,562.84	
ICS Account	519,047.65	
Lockbox Account	3,008.26	
Total Unrestricted Funds	<u>719,463.09</u>	
Restricted Funds		
Restricted Cash (PPA Collateral)	1,680,000.00	
SCE FSR Letter of Credit Collateral	147,000.00	
Debt Service Reserve Account	200,000.00	
Total Restricted Funds	<u>2,027,000.00</u>	
Total Cash		2,746,463.09
Accounts Receivable		
Southern California Edison	5,506,324.70	
Southern California Edison (Escrow Account) ⁽¹⁾	2,988,674.05	
Coachella Hills Wind	27,383.17	
Total Accounts Receivable		8,522,381.92
Accrued Revenue		1,535,616.04
Allowance for Doubtful Accounts ⁽²⁾		(1,165,504.29)
TOTAL ASSETS		<u>11,638,956.76</u>

LIABILITIES

Accounts Payable		
Ace Printing	8,465.34	
Arthur J Gallagher Insurance & co	103.25	
Best, Best & Krieger LLP	21,680.00	
Burke Rix	12,927.77	
Calpine Energy Solutions	21,588.70	
Donald D, Darne	2,159.50	
River City Bank	93.33	
Southern California Edison	29,000.00	
The Energy Authority	4,457,724.29	
Vesper Energy	44,594.60	
Net Energy Metering payables	<u>5,072.69</u>	
Total Accounts Payable		4,603,409.47
Accrued Accounts Payable		
The Energy Authority	13,267.56	
Total Accounts Payable		13,267.56
Due to Other Governments		
Coachella Valley Association of Governments	572,818.18	
Utility Users Tax- Palm Springs	1,229,337.03	
Electric Energy Surcharge (CDTFA)	<u>23,599.93</u>	
Total Due to Other Governments		1,825,755.14
Loans Payable (short term)		
River City Bank	<u>875,000.00</u>	
Total Loans Payable (short term)		875,000.00
PPA Collateral		
Terra-Gen	<u>1,680,000.00</u>	
Total PPA Collateral		<u>1,680,000.00</u>
TOTAL LIABILITIES		<u>8,997,432.17</u>

NET POSITION

Restricted Net Position	347,000.00
Unrestricted Net Position	<u>2,294,524.59</u>
TOTAL NET POSITION	2,641,524.59

TOTAL LIABILITIES AND NET POSITION	<u>11,638,956.76</u>
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- If the NEM customer generated more electricity than used, DCE will pay the NET balance at the end of May 2022 at DCE's approved Net Surplus Compensation Rate; if the NEM customer used more electricity than generated, DCE will bill the net annual balance at the customer's metered rate.

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**DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION FOR THE PERIOD
JULY 1, 2021 TO NOVEMBER 30, 2021**

REVENUES

Electricity Sales ⁽¹⁾		22,995,077.42
Carbon Free	19,691,059.52	
Carbon Free- CARE/FERA	1,701,286.18	
Desert Saver	1,602,731.72	
Other revenue		449,119.68
Investment Income		1,781.49
TOTAL REVENUES		<u>23,445,978.59</u>

EXPENSES

Cost of Electricity		
Electricity Purchase	16,641,241.77	
Resource Adequacy	4,078,671.25	
Renewable Energy Credit Settlement	1,605,783.95	
Market Charges	2,817,753.41	
Total Cost of Electricity		25,143,450.38
Accounting / Bank Services		404.62
Legal Services		21,680.00
Professional Services		16,416.25
Insurance		7,793.25
Consultants		754,479.66
Outreach		19,718.00
Postage		6,070.88
Printing		10,121.73
Social Programs		20,615.00
Technology Costs		467.77
Registrations/Memberships		41,717.50
Bad Debt ⁽²⁾		689,852.33
Interest Expense		65,533.11
TOTAL EXPENSES		<u>26,798,320.48</u>

Excess of Revenues over Expenses	(3,352,341.89)
Net Position - Beginning of the Period	<u>5,993,866.48</u>
Net Position - End of the Period	<u>2,641,524.59</u>

(1) Electricity sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed.

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