

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
STATEMENT OF NET POSITIONS
AS OF OCTOBER 31, 2021

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
ASSETS			
Unrestricted Funds			
Operating Account	0.00	1,092,340.28	1,092,340.28
Money Market Account	66,347.52	0.00	66,347.52
ICS Account	1,317,525.26	(798,564.88)	518,960.38
Lockbox Account	2,830,359.71	(2,812,511.84)	17,847.87
Total Unrestricted Funds	4,214,232.49	(2,518,736.44)	1,695,496.05
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	4,361,232.49	(638,736.44)	3,722,496.05
Accounts Receivable			
Southern California Edison	0.00	7,295,221.83	7,295,221.83
Southern California Edison (Escrow Account) ⁽¹⁾	0.00	2,041,395.62	2,041,395.62
Coachella Hills	0.00	68,586.52	68,586.52
Total Accounts Receivable	0.00	9,405,203.97	9,405,203.97
Accrued Revenue			
Allowance for Doubtful Accounts ⁽²⁾	0.00	2,404,839.38	2,404,839.38
	0.00	(1,130,582.65)	(1,130,582.65)
TOTAL ASSETS	4,361,232.49	10,040,724.26	14,401,956.75
LIABILITIES			
Accounts Payable			
Ace Printing	486.62	486.62	973.23
Arthur J Gallagher Insurance & co	51.63	51.63	103.25
Best, Best & Kreiger LLP	4,208.75	12,626.25	16,835.00
Burke Rix	0.00	4,731.25	4,731.25
Calpine Energy Solutions	0.00	98,121.20	98,121.20
Donald D. Dame	569.19	1,707.56	2,276.75
River City Bank	2,903.69	0.00	2,903.69
Southern California Edison	0.00	29,000.00	29,000.00
The Energy Authority	0.00	6,049,480.40	6,049,480.40
Vesper Energy	0.00	72,751.90	72,751.90
Net Energy Metering payables	0.00	5,277.68	5,277.68
Total Accounts Payable	8,219.87	6,274,234.48	6,282,454.35
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	142,790.67	428,372.01	571,162.68
Utility Users Tax- Palm Springs	0.00	1,170,330.70	1,170,330.70
Electric Energy Surcharge (CDTFA)	0.00	17,592.82	17,592.82
Total Due to Other Governments	142,790.67	1,616,295.53	1,759,086.20
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	151,010.54	10,458,797.57	10,609,808.11
NET POSITION			
Restricted Net Position	147,000.00	200,000.00	347,000.00
Unrestricted Net Position	4,063,221.95	(618,073.31)	3,445,148.64
TOTAL LIABILITIES AND NET POSITION	4,361,232.49	10,040,724.26	14,401,956.75

(1) Net Energy Metering customers' usage is monitored on a monthly basis, recorded in an escrow account and trued-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.

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
REVENUES, EXPENSES, AND CHANGES IN NET POSITIONS
FOR THE PERIOD FROM JULY 1, 2021 TO OCTOBER 31, 2021

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
REVENUES			
Electricity Sales ⁽¹⁾	0.00	21,831,022.69	21,831,022.69
Other Revenue	0.00	426,964.78	426,964.78
Investment Income	1,478.90	0.00	1,478.90
TOTAL REVENUES	<u>1,478.90</u>	<u>22,257,987.47</u>	<u>22,259,466.37</u>
EXPENSES			
Cost of Electricity			
Electricity Purchase	0.00	15,413,695.21	15,413,695.21
Resource Adequacy	0.00	3,693,596.25	3,693,596.25
Renewable Energy Credit Settlement	0.00	1,561,189.35	1,561,189.35
Market Charges	0.00	2,259,665.26	2,259,665.26
Total Cost of Electricity	<u>0.00</u>	<u>22,928,146.07</u>	<u>22,928,146.07</u>
Accounting / Bank Services	155.65	155.65	311.29
Legal Services	4,208.75	12,626.25	16,835.00
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	<u>720.63</u>	<u>15,695.63</u>	<u>16,416.25</u>
Insurance			
Total Insurance	<u>3,896.63</u>	<u>3,896.63</u>	<u>7,793.25</u>
Consultants			
Calpine Energy Solutions	49,233.51	147,700.54	196,934.05
Don Dame	0.00	8,606.50	8,606.50
The Energy Authority	0.00	488,376.52	488,376.52
Total Consultants	<u>49,233.51</u>	<u>644,683.56</u>	<u>693,917.07</u>
Outreach			
Burke Rix Communications	0.00	11,989.25	11,989.25
Total Outreach	<u>0.00</u>	<u>11,989.25</u>	<u>11,989.25</u>
Postage			
Ace Printing	1,071.81	1,071.81	2,143.61
Total Printing	<u>1,071.81</u>	<u>1,071.81</u>	<u>2,143.61</u>
Printing			
Ace Printing	2,613.00	2,613.00	5,226.00
Total Printing	<u>2,613.00</u>	<u>2,613.00</u>	<u>5,226.00</u>
Social Programs	0.00	20,615.00	20,615.00
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	<u>10,398.13</u>	<u>31,319.38</u>	<u>41,717.50</u>
Bad Debt ⁽²⁾	0.00	45,275.69	45,275.69
Interest Expense	0.00	62,798.73	62,798.73
TOTAL EXPENSES	<u>72,298.09</u>	<u>23,780,886.62</u>	<u>23,853,184.71</u>
Excess of Revenues over Expenses	<u>(70,819.19)</u>	<u>(1,522,899.15)</u>	<u>(1,593,718.34)</u>
Net Position - Beginning of the Period	4,281,041.14	1,104,825.84	5,385,866.98
Net Position - End of the Period	<u>4,210,221.95</u>	<u>(418,073.31)</u>	<u>3,792,148.64</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.

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
STATEMENT OF NET POSITIONS
AS OF OCTOBER 31, 2021

ASSETS

Unrestricted Funds		
Operating Account	1,092,340.28	
Money Market Account	66,347.52	
ICS Account	518,960.38	
Lockbox Account	17,847.87	
Total Unrestricted Funds	<u>1,695,496.05</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		3,722,496.05
Accounts Receivable		
Southern California Edison	7,295,221.83	
Southern California Edison (Escrow Account) ⁽¹⁾	2,041,395.62	
Coachella Hills Wind	68,586.52	
Total Accounts Receivable		9,405,203.97
Accrued Revenue		2,404,839.38
Allowance for Doubtful Accounts ⁽²⁾		(1,130,582.65)
TOTAL ASSETS		<u><u>14,401,956.75</u></u>

LIABILITIES

Accounts Payable		
Ace Printing	973.23	
Arthur J Gallagher Insurance & co	103.25	
Best, Best & Krieger LLP	16,835.00	
Burke Rix	4,731.25	
Calpine Energy Solutions	98,121.20	
Donald D. Dame	2,276.75	
River City Bank	2,903.69	
Southern California Edison	29,000.00	
The Energy Authority	6,049,480.40	
Vesper Energy	72,751.90	
Net Energy Metering payables	5,277.68	
Total Accounts Payable		6,282,454.35
Accrued Accounts Payable		
The Energy Authority	13,267.56	
Total Accounts Payable		13,267.56
Due to Other Governments		
Coachella Valley Association of Governments	571,162.68	
Utility Users Tax- Palm Springs	1,170,330.70	
Electric Energy Surcharge (CDTFA)	17,592.82	
Total Due to Other Governments		1,759,086.20
Loans Payable (short term)		
River City Bank	875,000.00	
Total Loans Payable (short term)		875,000.00
PPA Collateral		
Terra-Gen	1,680,000.00	
Total PPA Collateral		1,680,000.00
TOTAL LIABILITIES		<u><u>10,609,808.11</u></u>

NET POSITION

Restricted Net Position		347,000.00
Unrestricted Net Position		<u>3,445,148.64</u>
TOTAL NET POSITION		3,792,148.64
TOTAL LIABILITIES AND NET POSITION		<u><u>14,401,956.75</u></u>

(1) Net Energy Metering customers' usage is monitored on a monthly basis, recorded in an escrow account and tried-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.

**DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION FOR THE PERIOD
JULY 1, 2021 TO OCTOBER 31, 2021**

REVENUES

Electricity Sales ⁽¹⁾		21,831,022.69
Carbon Free	18,741,607.74	
Carbon Free- CARE/FERA	1,871,412.99	
Desert Saver	1,218,001.96	
Other revenue		426,964.78
Investment Income		1,478.90
TOTAL REVENUES		<u><u>22,259,466.37</u></u>

EXPENSES

Cost of Electricity		
Electricity Purchase	15,413,695.21	
Resource Adequacy	3,693,596.25	
Renewable Energy Credit Settlement	1,561,189.35	
Market Charges	2,259,665.26	
Total Cost of Electricity		22,928,146.07
Accounting / Bank Services		311.29
Legal Services		16,835.00
Professional Services		16,416.25
Insurance		7,793.25
Consultants		693,917.07
Outreach		11,989.25
Postage		2,143.61
Printing		5,226.00
Social Programs		20,615.00
Registrations/Memberships		41,717.50
Bad Debt ⁽²⁾		45,275.69
Interest Expense		62,798.73
TOTAL EXPENSES		<u><u>23,853,184.71</u></u>

Excess of Revenues over Expenses **(1,593,718.34)**

Net Position - Beginning of the Period **5,385,866.98**

Net Position - End of the Period **3,792,148.64**

(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.