

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

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
Unrestricted Funds			
Operating Account	0.00	30,820.42	30,820.42
Money Market Account	66,125.05	0.00	66,125.05
ICS Account	1,317,525.26	(798,658.40)	518,866.86
Lockbox Account	2,838,910.90	(2,731,307.80)	107,603.10
Total Unrestricted Funds	4,222,561.21	(3,499,145.78)	723,415.43
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	4,369,561.21	(1,619,145.78)	2,750,415.43
Accounts Receivable			
Southern California Edison	0.00	7,687,151.72	7,687,151.72
Southern California Edison (Escrow Account) <sup>(1)</sup>	0.00	2,660,710.09	2,660,710.09
Allowance for Bad Debt <sup>(2)</sup>	0.00	(1,047,838.73)	(1,047,838.73)
Coachella Hills	0.00	19,457.23	19,457.23
Total Accounts Receivable	0.00	9,319,480.31	9,319,480.31
Accrued Revenue	0.00	3,270,159.02	3,270,159.02
<b>TOTAL ASSETS</b>	<b>4,369,561.21</b>	<b>10,970,493.55</b>	<b>15,340,054.76</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable			
Ace Printing	832.28	832.28	1,664.55
Burke Rix	0.00	2,240.00	2,240.00
Calpine Energy Solutions	0.00	98,395.15	98,395.15
Donald D. Dame	846.56	2,539.69	3,386.25
Southern California Edison	0.00	29,000.00	29,000.00
The Energy Authority	0.00	6,717,006.84	6,717,006.84
Vesper Energy	0.00	95,254.30	95,254.30
WREGIS	0.00	125.00	125.00
Net Energy Metering payables	0.00	6,296.14	6,296.14
Total Accounts Payable	1,678.84	6,951,689.39	6,953,368.23
Due to Other Governments			
Coachella Valley Association of Governments	135,384.03	406,152.10	541,536.13
Utility Users Tax- Palm Springs	0.00	1,034,683.97	1,034,683.97
Electric Energy Surcharge (CDTFA)	0.00	60,161.54	60,161.54
Total Due to Other Governments	135,384.03	1,500,997.61	1,636,381.64
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
<b>TOTAL LIABILITIES</b>	<b>137,062.87</b>	<b>11,007,687.00</b>	<b>11,144,749.87</b>
<b><u>NET POSITION</u></b>			
Restricted Net Position	147,000.00	200,000.00	347,000.00
Unrestricted Net Position	4,085,498.34	(237,193.45)	3,848,304.89
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>4,369,561.21</b>	<b>10,970,493.55</b>	<b>15,340,054.76</b>

(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 SEPTEMBER 30, 2021**

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Electricity Sales <sup>(1)</sup>	0.00	19,072,892.07	19,072,892.07
Other Revenue	0.00	375,942.79	375,942.79
Investment Income	1,162.91	0.00	1,162.91
<b>TOTAL REVENUES</b>	<u>1,162.91</u>	<u>19,448,834.86</u>	<u>19,449,997.77</u>
<b>EXPENSES</b>			
Cost of Electricity			
Electricity Purchase	0.00	13,738,080.93	13,738,080.93
Resource Adequacy	0.00	3,225,846.25	3,225,846.25
Renewable Energy Credit Settlement	0.00	1,488,437.45	1,488,437.45
Market Charges	0.00	1,655,307.78	1,655,307.78
Total Cost of Electricity	<u>0.00</u>	<u>20,107,672.41</u>	<u>20,107,672.41</u>
Accounting / Bank Services	77.81	77.81	155.61
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	3,845.00	3,845.00	7,690.00
Consultants			
Calpine Energy Solutions	36,986.88	110,960.63	147,947.50
Don Dame	0.00	6,329.75	6,329.75
The Energy Authority	0.00	352,165.55	352,165.55
Total Consultants	<u>36,986.88</u>	<u>469,455.93</u>	<u>506,442.80</u>
Outreach			
Burke Rix Communications	0.00	7,258.00	7,258.00
Total Outreach	<u>0.00</u>	<u>7,258.00</u>	<u>7,258.00</u>
Postage			
Ace Printing	829.03	829.03	1,658.06
Total Printing	<u>829.03</u>	<u>829.03</u>	<u>1,658.06</u>
Printing			
Ace Printing	2,211.00	2,211.00	4,422.00
Total Printing	<u>2,211.00</u>	<u>2,211.00</u>	<u>4,422.00</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	5,035.38	15,106.13	20,141.50
Total Registration/Memberships	<u>5,035.38</u>	<u>15,231.13</u>	<u>20,266.50</u>
Bad Debt <sup>(2)</sup>	0.00	(37,468.23)	(37,468.23)
Interest Expense	0.00	15,058.01	15,058.01
<b>TOTAL EXPENSES</b>	<u>49,705.71</u>	<u>20,620,480.70</u>	<u>20,670,186.41</u>
Excess of Revenues over Expenses	(48,542.80)	(1,171,645.84)	(1,220,188.64)
Net Position - Beginning of the Year	4,281,041.14	1,134,452.39	5,415,493.53
Net Position - End of the Year	<u>4,232,498.34</u>	<u>(37,193.45)</u>	<u>4,195,304.89</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 SEPTEMBER 30, 2021**

**ASSETS**

Unrestricted Funds

Operating Account	30,820.42
Money Market Account	66,125.05
ICS Account	518,866.86
Lockbox Account	107,603.10
Total Unrestricted Funds	<u>723,415.43</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 2,750,415.43

Accounts Receivable

Southern California Edison	7,687,151.72
Southern California Edison (Escrow Account) <sup>(1)</sup>	2,660,710.09
Allowance for Bad Debt <sup>(2)</sup>	(1,047,838.73)
Coachella Hills Wind	19,457.23

Total Accounts Receivable 9,319,480.31

Accrued Revenue

3,270,159.02

**TOTAL ASSETS**

**15,340,054.76**

**LIABILITIES**

Accounts Payable

Ace Printing	1,664.55
Burke Rix	2,240.00
Calpine Energy Solutions	98,395.15
Donald D. Dame	3,386.25
Southern California Edison	29,000.00
The Energy Authority	6,717,006.84
Vesper Energy	95,254.30
WREGIS	125.00
Net Energy Metering payables	6,296.14
Total Accounts Payable	<u>6,953,368.23</u>

6,953,368.23

Due to Other Governments

Coachella Valley Association of Governments	541,536.13
Utility Users Tax- Palm Springs	1,034,683.97
Electric Energy Surcharge (CDTFA)	60,161.54
Total Due to Other Governments	<u>1,636,381.64</u>

1,636,381.64

Loans Payable (short term)

River City Bank	875,000.00
Total Loans Payable (short term)	<u>875,000.00</u>

875,000.00

PPA Collateral		
Terra-Gen	1,680,000.00	
Total PPA Collateral	<u>1,680,000.00</u>	1,680,000.00
<b>TOTAL LIABILITIES</b>		<b><u><u>11,144,749.87</u></u></b>
<b><u>NET POSITION</u></b>		
Restricted Net Position		347,000.00
Unrestricted Net Position		<u>3,848,304.89</u>
<b>TOTAL NET POSITION</b>		<b>4,195,304.89</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>		<b><u><u>15,340,054.76</u></u></b>

(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**  
**OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION FOR THE PERIOD**  
**JULY 1, 2021, TO SEPTEMBER 30, 2021**

**REVENUES**

Electricity Sales <sup>(1)</sup>		19,072,892.07
Carbon Free	16,368,387.82	
Carbon Free- CARE/FERA	1,648,073.02	
Desert Saver	1,056,431.23	
Other revenue		375,942.79
Investment Income		1,162.91
<b>TOTAL REVENUES</b>		<b><u><u>19,449,997.77</u></u></b>

**EXPENSES**

Cost of Electricity		
Electricity Purchase	13,738,080.93	
Resource Adequacy	3,225,846.25	
Renewable Energy Credit Settlement	1,488,437.45	
Market Charges	1,655,307.78	
Total Cost of Electricity		20,107,672.41
Accounting / Bank Services		155.61
Professional Services		16,416.25
Insurance		7,690.00
Consultants		506,442.80
Outreach		7,258.00
Postage		1,658.06
Printing		4,422.00
Social Programs		20,615.00
Registrations/Memberships		20,266.50
Western Electricity Coordinating Council	125.00	
CA Community Choice Association	20,141.50	
Bad Debt <sup>(2)</sup>		(37,468.23)
Interest Expense		15,058.01
<b>TOTAL EXPENSES</b>		<b><u><u>20,670,186.41</u></u></b>

Excess of Revenues over Expenses		(1,220,188.64)
Net Position - Beginning of the Year		<u>5,415,493.53</u>
Net Position - End of the Year		<u><u>4,195,304.89</u></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.