

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2022

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
ASSETS			
Unrestricted Funds			
Operating Account	-	413,441.31	413,441.31
Money Market Account	68,281.53	-	68,281.53
ICS Account	-	-	-
DDM Marketplace Sweep Account	1,487,450.79	-	1,487,450.79
Lockbox Account	2,146,675.83	(2,144,914.42)	1,761.41
Total Unrestricted Funds	3,702,408.15	(1,731,473.11)	1,970,935.04
Restricted Funds			
Restricted Cash (PPA Collateral)	-	1,680,000.00	1,680,000.00
SCE FSR Letter of Credit Collateral	147,000.00	-	147,000.00
Total Restricted Funds	147,000.00	1,680,000.00	1,827,000.00
Total Cash	3,849,408.15	(51,473.11)	3,797,935.04
Accounts Receivable			
Southern California Edison	-	8,612,849.68	8,612,849.68
Southern California Edison (Escrow Account) ⁽¹⁾	-	767,298.58	767,298.58
Total Accounts Receivable	-	9,380,148.26	9,380,148.26
Accrued Accounts Receivable			
Allowance for Doubtful Accounts ⁽²⁾	-	2,552,840.75	2,552,840.75
	-	(1,801,441.96)	(1,801,441.96)
Prepaid Expenses			
Coachella Hills Wind	-	130,814.88	130,814.88
Deluxe Corporation	-	1,200.00	1,200.00
Total Prepaid Expenses	-	132,014.88	132,014.88
TOTAL ASSETS	3,849,408.15	10,212,088.82	14,061,496.97
LIABILITIES			
Accounts Payable			
Ace Printing	2,813.55	2,813.55	5,627.09
Best, Best & Kreiger LLP	5,065.59	15,196.76	20,262.34
Burke Rix Communications	-	7,691.71	7,691.71
CA Choice Energy Authority	-	7,552.33	7,552.33
Calpine Energy Solutions LLC	-	44,196.80	44,196.80
Donald D. Dame	1,119.56	3,358.69	4,478.25
Davis Farr LLP	195.00	585.00	780.00
River City Bank	6,840.96	-	6,840.96
The Energy Authority	-	4,261,439.02	4,261,439.02
Vesper Energy	-	119,294.95	119,294.95
Total Accounts Payable	16,034.65	4,462,128.80	4,478,163.45
Accrued Accounts Payable			
So Cal Edison	-	58,430.66	58,430.66
Total Accounts Payable	-	58,430.66	58,430.66
Due to Other Governments			
Coachella Valley Association of Governments	78,829.41	236,488.23	315,317.64
Utility Users Tax- Palm Springs	-	283,756.60	283,756.60
Electric Energy Surcharge (CDTFA)	-	27,804.00	27,804.00
Total Due to Other Governments	78,829.41	548,048.83	626,878.24
NEM Escrow Account			
NEM Customers	-	6,669.59	6,669.59
Total NEM Escrow Accounts	-	6,669.59	6,669.59
Taxes Payable			
Utility Users Tax	-	116,678.05	116,678.05
Electric Energy Surcharge	-	4,814.82	4,814.82
Total Taxes Payable	-	121,492.87	121,492.87
PPA Collateral			
Terra-Gen	-	1,680,000.00	1,680,000.00
Total PPA Collateral	-	1,680,000.00	1,680,000.00
Loans Payable (long term)			
River City Bank Line of Credit (expires 02.01.2025)	-	2,200,000.00	2,200,000.00
Total Loans Payable	-	2,200,000.00	2,200,000.00
TOTAL LIABILITIES	94,864.06	9,076,770.75	9,171,634.81
NET POSITION			
Restricted Net Position	147,000.00	-	147,000.00
Unrestricted Net Position	3,607,544.09	1,135,318.07	4,742,862.16
Net Position	3,754,544.09	1,135,318.07	4,889,862.16
TOTAL LIABILITIES AND NET POSITION	3,849,408.15	10,212,088.82	14,061,496.97

(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.

- If the NEM customer generated more electricity than used, DCE will pay the NET balance at DCE's approved Net Surplus Compensation Rate; if the NEM customer used more electricity than generated, the net annual balance will be billed at the customer's metered rate.

(2) \$609,655 for the California Arrearage Payment Program (CAPP) allocation for COVID-19 relief bill has been credited to customer accounts and funds received by DCE.

DESERT COMMUNITY ENERGY
UNAUDITED FINANCIAL STATEMENTS
REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD FROM JULY 1, 2021 TO JUNE 30, 2022

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
REVENUES			
Electricity Sales ⁽¹⁾	-	44,192,371.90	44,192,371.90
Energy Market Settlements	-	1,354,851.08	1,354,851.08
Other Revenue ⁽²⁾	-	609,655.00	609,655.00
Investment Income	4,103.57	-	4,103.57
TOTAL REVENUES	<u>4,103.57</u>	<u>46,156,877.98</u>	<u>46,160,981.55</u>
EXPENSES			
Cost of Electricity			
Electricity Purchase	-	26,854,313.57	26,854,313.57
Resource Adequacy	-	7,224,061.25	7,224,061.25
Low Carbon Settlement	-	2,381,000.00	2,381,000.00
Renewable Energy Credit Settlement	-	1,354,095.20	1,354,095.20
Market Charges	-	4,591,524.13	4,591,524.13
Total Cost of Electricity	-	42,404,994.15	42,404,994.15
Accounting / Bank Services	15,872.48	15,872.48	31,744.95
Office Supplies	-	-	-
Legal Services	23,278.83	69,836.50	93,115.33
Professional Services			
AJ Gallagher & Co Insurance	175.00	175.00	350.00
Brown & Riding Insurance	58.13	58.13	116.25
Davis Farr LLP	1,557.50	4,672.50	6,230.00
PFM Financial Advisors LLC	1,710.00	1,710.00	3,420.00
SOCAL Edison	-	43,430.66	43,430.66
Total Professional Services	3,500.63	50,046.29	53,546.91
Insurance			
- Directors & Officers	3,595.00	3,595.00	7,190.00
- General Liability	301.63	301.63	603.25
Total Insurance	3,896.63	3,896.63	7,793.25
Consultants			
Calpine Energy Solutions	119,050.59	357,151.76	476,202.35
Don Dame	-	26,146.75	26,146.75
White Rabbit Group	975.00	975.00	1,950.00
The Energy Authority	-	1,174,086.85	1,174,086.85
CVAG	311,256.51	311,256.51	622,513.01
Total Consultants	431,282.09	1,869,616.87	2,300,898.96
Outreach			
Burke Rix Communications	-	46,199.07	46,199.07
Total Outreach	-	46,199.07	46,199.07
Postage			
Ace Printing	9,200.49	9,200.49	18,400.98
Total Printing	9,200.49	9,200.49	18,400.98
Printing			
Ace Printing	10,317.19	10,317.19	20,634.37
Total Printing	10,317.19	10,317.19	20,634.37
Social Programs	-	32,214.55	32,214.55
Technology Costs	1,106.32	1,106.32	2,212.64
Registrations/Memberships			
Western Renewable Energy Generation Information System (WREGIS)	-	125.00	125.00
CA Community Choice Association	21,123.63	63,370.88	84,494.50
Total Registration/Memberships	21,123.63	63,495.88	84,619.50
Bad Debt	-	1,325,790.00	1,325,790.00
Interest Expense	-	123,816.07	123,816.07
TOTAL EXPENSES	<u>519,578.27</u>	<u>46,026,402.46</u>	<u>46,545,980.73</u>
Excess of Revenues over Expenses	(515,474.70)	130,475.52	(384,999.18)
Net Position - Beginning of the Period	4,270,018.79	1,004,842.55	5,274,861.34
Net Position - End of the Period	<u>3,754,544.09</u>	<u>1,135,318.06</u>	<u>4,889,862.16</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) California Arrearage Payment Program (CAPP) allocation for COVID-19 relief bill.