

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

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
ASSETS			
Unrestricted Funds			
Operating Account	0.00	214,857.40	214,857.40
Money Market Account	66,785.36	0.00	66,785.36
ICS Account	1,317,525.26	(798,389.46)	519,135.80
Lockbox Account	2,795,996.68	(2,658,349.26)	137,647.42
Total Unrestricted Funds	4,180,307.30	(3,241,881.32)	938,425.98
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	0.00	0.00
Total Restricted Funds	147,000.00	1,680,000.00	1,827,000.00
Total Cash	4,327,307.30	(1,561,881.32)	2,765,425.98
Accounts Receivable			
Southern California Edison	0.00	5,040,104.11	5,040,104.11
Southern California Edison (Escrow Account) ⁽¹⁾	0.00	3,219,918.52	3,219,918.52
Coachella Hills	0.00	25,654.91	25,654.91
Total Accounts Receivable	0.00	8,285,677.54	8,285,677.54
Accrued Accounts Receivable	0.00	1,580,590.21	1,580,590.21
Allowance for Doubtful Accounts ⁽²⁾	0.00	(1,237,629.43)	(1,237,629.43)
TOTAL ASSETS	4,327,307.30	7,066,757.00	11,394,064.30
LIABILITIES			
Accounts Payable			
Ace Printing	8,102.25	8,102.25	16,204.50
Best, Best & Kreiger LLP	1,494.38	4,483.13	5,977.50
Burke Rix	0.00	3,911.50	3,911.50
CA Choice Energy Authority	0.00	1,368.50	1,368.50
CA Dept of Tax and Fee Administration	0.00	26,805.00	26,805.00
Calpine Energy Solutions	0.00	16,220.50	16,220.50
Donald D. Dame	441.00	1,323.00	1,764.00
PFM Financial Advisors LLC	855.00	2,565.00	3,420.00
River City Bank	2,828.33	0.00	2,828.33
The Energy Authority	0.00	4,227,883.96	4,227,883.96
Vesper Energy	0.00	35,804.60	35,804.60
White Rabbit Group	700.00	700.00	1,400.00
Total Accounts Payable	14,420.96	4,329,167.44	4,343,588.39
Accrued Accounts Payable			
So Cal Edison	0.00	50,049.00	50,049.00
The Energy Authority	0.00	13,267.56	13,267.56
Total Accounts Payable	0.00	63,316.56	63,316.56
Due to Other Governments			
Coachella Valley Association of Governments	144,098.14	432,294.41	576,392.55
Utility Users Tax- Palm Springs	0.00	1,346,164.58	1,346,164.58
Electric Energy Surcharge (CDTFA)	0.00	5,854.62	5,854.62
Total Due to Other Governments	144,098.14	1,784,313.61	1,928,411.75
Loans Payable (short term)			
River City Bank	0.00	0.00	0.00
Total Loans Payable (short term)	0.00	0.00	0.00
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	158,519.09	7,856,797.61	8,015,316.70
NET POSITION			
Restricted Net Position	147,000.00	200,000.00	347,000.00
Unrestricted Net Position	4,021,788.21	(990,040.61)	3,031,747.60
TOTAL LIABILITIES AND NET POSITION	4,327,307.30	7,066,757.00	11,394,064.30

(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. 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 DECEMBER 31, 2021

	<u>GENERAL</u>	<u>PALM SPRINGS</u>	<u>TOTAL</u>
REVENUES			
Electricity Sales ⁽¹⁾	0.00	25,399,249.03	25,399,249.03
Other Revenue	0.00	781,605.28	781,605.28
Investment Income	2,092.16	0.00	2,092.16
TOTAL REVENUES	<u>2,092.16</u>	<u>26,180,854.31</u>	<u>26,182,946.47</u>
EXPENSES			
Cost of Electricity			
Electricity Purchase	0.00	17,909,640.60	17,909,640.60
Resource Adequacy	0.00	4,545,421.25	4,545,421.25
Renewable Energy Credit Settlement	0.00	1,616,350.89	1,616,350.89
Market Charges	0.00	2,671,379.99	2,671,379.99
Total Cost of Electricity	<u>0.00</u>	<u>26,742,792.73</u>	<u>26,742,792.73</u>
Accounting / Bank Services	5,696.22	5,696.22	11,392.43
Legal Services	7,256.50	21,769.50	29,026.00
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
PFM Financial Advisors LLC	1,710.00	1,710.00	3,420.00
SOCAL Edison	0.00	34,101.32	34,101.32
Total Professional Services	<u>2,430.63</u>	<u>37,506.95</u>	<u>39,937.57</u>
Insurance			
Total Insurance	3,896.63	3,896.63	7,793.25
Consultants			
Calpine Energy Solutions	53,288.70	159,866.10	213,154.80
Don Dame	0.00	12,530.00	12,530.00
White Rabbit Group	700.00	700.00	1,400.00
The Energy Authority	0.00	654,531.53	654,531.53
Total Consultants	<u>53,988.70</u>	<u>827,627.63</u>	<u>881,616.33</u>
Outreach			
Burke Rix Communications	0.00	23,453.00	23,453.00
Total Outreach	<u>0.00</u>	<u>23,453.00</u>	<u>23,453.00</u>
Postage			
Ace Printing	6,254.05	6,254.05	12,508.10
Total Printing	<u>6,254.05</u>	<u>6,254.05</u>	<u>12,508.10</u>
Printing			
Ace Printing	6,917.69	6,917.69	13,835.37
Total Printing	<u>6,917.69</u>	<u>6,917.69</u>	<u>13,835.37</u>
Social Programs	0.00	20,615.00	20,615.00
Technology Costs	248.39	248.39	496.77
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	<u>10,398.13</u>	<u>31,319.38</u>	<u>41,717.50</u>
Bad Debt ⁽²⁾	0.00	761,977.47	761,977.47
Interest Expense	0.00	89,082.02	89,082.02
TOTAL EXPENSES	<u>97,086.91</u>	<u>28,579,156.63</u>	<u>28,676,243.54</u>
Excess of Revenues over Expenses	<u>(94,994.75)</u>	<u>(2,398,302.32)</u>	<u>(2,493,297.07)</u>
Net Position - Beginning of the Period	<u>4,263,782.96</u>	<u>1,608,261.71</u>	<u>5,872,044.67</u>
Net Position - End of the Period	<u>4,168,788.21</u>	<u>(790,040.61)</u>	<u>3,378,747.60</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 DECEMBER 31, 2021

ASSETS

Unrestricted Funds		
Operating Account	214,857.40	
Money Market Account	66,785.36	
ICS Account	519,135.80	
Lockbox Account	137,647.42	
Total Unrestricted Funds	<u>938,425.98</u>	
Restricted Funds		
Restricted Cash (PPA Collateral)	1,680,000.00	
SCE FSR Letter of Credit Collateral	147,000.00	
Debt Service Reserve Account	-	
Total Restricted Funds	<u>1,827,000.00</u>	
Total Cash		2,765,425.98
Accounts Receivable		
Southern California Edison	5,040,104.11	
Southern California Edison (Escrow Account) ⁽¹⁾	3,219,918.52	
Coachella Hills Wind	25,654.91	
Total Accounts Receivable		8,285,677.54
Accrued Accounts Receivable		1,580,590.21
Allowance for Doubtful Accounts ⁽²⁾		(1,237,629.43)
TOTAL ASSETS		<u>11,394,064.30</u>

LIABILITIES

Accounts Payable		
Ace Printing	16,204.50	
Best, Best & Krieger LLP	5,977.50	
Burke Rix	3,911.50	
CA Choice Energy Authority	1,368.50	
CA Dept of Tax and Fee Administration	26,805.00	
Calpine Energy Solutions	16,220.50	
Donald D. Dame	1,764.00	
PFM Financial Advisors LLC	3,420.00	
River City Bank	2,828.33	
The Energy Authority	4,227,883.96	
Vesper Energy	35,804.60	
White Rabbit Group	1,400.00	
Total Accounts Payable		4,343,588.39
Accrued Accounts Payable		
SoCal Edison NEB Charges	50,049.00	
The Energy Authority	13,267.56	
Total Accrued Accounts Payable		63,316.56
Due to Other Governments		
Coachella Valley Association of Governments	576,392.55	
Utility Users Tax- Palm Springs	1,346,164.58	
Electric Energy Surcharge (CDTFA)	5,854.62	
Total Due to Other Governments		1,928,411.75
Loans Payable (short term)		
River City Bank	-	
Total Loans Payable (short term)		-
PPA Collateral		
Terra-Gen	1,680,000.00	
Total PPA Collateral		1,680,000.00
TOTAL LIABILITIES		<u>8,015,316.70</u>

NET POSITION

Restricted Net Position		147,000.00
Unrestricted Net Position		<u>3,231,747.60</u>
TOTAL NET POSITION		3,378,747.60
TOTAL LIABILITIES AND NET POSITION		<u>11,394,064.30</u>

(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).

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EXPENSES, AND CHANGES IN NET POSITION
FOR THE PERIOD FROM JULY 1, 2021 TO DECEMBER 31, 2021

REVENUES

Electricity Sales ⁽¹⁾		25,399,249.03
Carbon Free	21,705,755.63	
Carbon Free- CARE/FERA	1,711,530.66	
Desert Saver	1,981,962.74	
Other revenue		781,605.28
Investment Income		2,092.16
TOTAL REVENUES		<u>26,182,946.47</u>

EXPENSES

Cost of Electricity		
Electricity Purchase	17,909,640.60	
Resource Adequacy	4,545,421.25	
Renewable Energy Credit Settlement	1,616,350.89	
Market Charges	2,671,379.99	
Total Cost of Electricity		26,742,792.73
Accounting / Bank Services		11,392.43
Office Supplies		-
Legal Services		29,026.00
Professional Services		39,937.57
AJ Gallagher & Co Insurance	350.00	
Brown & Riding Insurance	116.25	
Davis Farr LLP	1,950.00	
PFM Financial Advisors	3,420.00	
SOCAL Edison	34,101.32	
Insurance		7,793.25
Consultants		881,616.33
Calpine Energy Solutions	213,154.80	
Don Dame	12,530.00	
White Rabbit Group	1,400.00	
The Energy Authority	654,531.53	
Outreach		23,453.00
Postage		12,508.10
Printing		13,835.37
Social Programs		20,615.00
Technology Costs		496.77
Registrations/Memberships		41,717.50
Western Electricity Coordinating Council	125.00	
CA Community Choice Association	41,592.50	
Bad Debt Expense ⁽²⁾		761,977.47
Interest Expense		89,082.02
TOTAL EXPENSES		<u>28,676,243.54</u>
Excess of Revenues over Expenses		(2,493,297.07)
Net Position - Beginning of the Period		<u>5,872,044.67</u>
Net Position - End of the Period		<u>3,378,747.60</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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